Ontario
Home Builders' Association

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November 25, 2022

Ministry of Municipal Affairs & Housing
College Park, 777 Bay St, Toronto, ON M7A 2J3

Proposal Number: ERO # 019-6172

RE: Proposed *Planning Act* and *Development Charges Act, 1997* Changes: Providing Greater Cost Certainty for Municipal Development-related Charges

The Ontario Home Builders' Association (OHBA)

The Ontario Home Builders' Association (OHBA) is the voice of the residential construction industry in Ontario. OHBA represents over 4,000 members including builders, developers, professional renovators, trade contractors and many others within the residential construction sector.

The OHBA is coordinating our public policy response with regards to Bill 23, the *More Homes Built Faster Act, 2022* with input from members across Ontario. OHBA is proudly affiliated with the Building Industry and Land Development Association (BILD), the West End Home Builders' Association (WEHBA) and the Greater Ottawa Home Builders' Association (GOHBA).

Background

In Ontario, up to 25% of the cost of a new home is composed of fees, taxes and charges imposed by the government. Over half of these fees, taxes and charges are imposed by municipal governments. Municipal levies on new homes have increased by 300%-1000% since 2004. These charges and fees ultimately end up in the cost of the new home and are placed on the backs of new home buyers.

OHBA believes that the proposed changes to the *Planning Act* and the *Development Charges Act, 1997* through Bill 23, *More Homes Built Faster Act, 2022* will have a significant impact on reducing the costs of building new housing and providing more certainty for families.

Parkland Costs

Ensuring parkland dedication costs are more predictable will help accelerate the development process so that more Ontarians can get into their new homes faster. Both freezing the parkland dedication rate as well as setting the rate at the time a municipal council receives a site plan application or zoning amendment is a prudent step that simplifies the system. Furthermore, enabling builders to identify encumbered land for parkland dedication will help ensure the highest land utilization possible to house the most people.

OHBA furthermore proposes the following measures,

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- To help reduce the cost of developing housing and to create cost savings for new home buyers and renters, the maximum alternative parkland dedication rate, which is the maximum amount of parkland that can be required for higher density developments would be updated to:
- For the purposes of land conveyed, from the current rate of one hectare for each 300 dwelling units to one hectare for each 600 dwelling units: and
- For the purposes of cash payment in lieu of land, from the current rate of one hectare for each five hundred dwelling units to one hectare for each 1000 dwelling units.

OHBA members welcome the proposed reductions of parkland requirements for new development. However, it should be noted that municipalities will inevitably choose which rate yields more actual parkland. In greenfield development, for example, a municipality may simply revert to the standard rate of 5% of total land instead of the alternative rate.

For example, in a 100-hectare subdivision, 5 hectares of land may be requested as parkland applying the 5% standard rate, instead of the new alternative rate which would generate about 3 hectares. If desired, a further amendment could be made to state that the lesser amount of the rates, whether the 5% or the alternate rate, shall apply.

- To ensure that parkland dedication requirements are only applied to new units/developments, as originally intended, legislative amendments would ensure existing residential units/developments are fully credited for parkland dedication requirements

OHBA welcomes the proposal to clarify and confirm the intention that parkland dedication requirements only be applied to new units/developments.

Recommendation #1: Definition of "Land" Area

OHBA requests that the *Act* be amended to define the area that should be considered when determining a parkland obligation.

It is not appropriate that parkland be sought from the gross land area, or even an entire parcel of land, where only a portion of the site is being developed unless it is known that the site will be developed in phases for which approval is being sought at one time. Additionally, a landowner should have the option to defer the consideration of parkland obligations to later phases.

Therefore, OHBA recommends that the province clarify and confirm its intent by defining amending Section 42 and 51.1 of the *Planning Act* to include a definition of "land" for the purpose of calculation the maximum dedication requirement. The *Planning Act* should clarify that the maximum percent of the land that can be required applies to the area of land that is subject to the proposed development or redevelopment.

Proposed wording:

Land for the purpose of determining parkland contributions shall be limited to the area of the parcel that is the subject of the application for which the parkland contribution is being sought.

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Recommendation #2: Existing Development Credit

Subsections 42(7) and (8) of the *Planning Act* currently contains an exemption for development or redevelopment of land where parkland has already been dedicated, or payment has been made in lieu, pursuant to sections 51.1 (subdivisions) or 53 (consents), unless there is a proposed increase in density or a change from commercial/industrial uses to another use.

The *Act* could also be amended to clarify that credit should be given for other forms of prior development (e.g., commercial uses to be converted) regardless of whether the current applicant has proof of prior payment.

Proposed wording, a new section 42(8.1):

In the case where subsection (7) applies, a credit or reduction shall be applied to the required parkland contribution to account for any parkland dedication that might have occurred for the prior use at the parkland rate in force at the time the building or structure was constructed. This credit shall be applied even if there is no confirmation that parkland was previously provided or paid.

- To encourage the supply of gentle intensification, a new parkland dedication exemption and refined DC exemptions are proposed to align with proposals under the Planning Act to implement an enhanced "additional residential unit" framework. A second unit in a primary residential building and up to one unit in an ancillary building would be exempt from DCs and parkland dedication requirements. Similarly, a third residential unit in a primary residential building would be exempt from DCs and parkland dedication requirements as long there are no residential units in an ancillary building.

OHBA welcomes the standardization of the applicability of DCs, parkland dedication and the CBC on additional dwelling units. This will help encourage the increase of "gentle density" in existing neighbourhoods.

- To provide further cost certainty, no more than 15 per cent of the amount of developable land (or equivalent value) could be required for parks or other recreational purposes for sites greater than 5 hectares and no more than 10 per cent for sites 5 hectares or less.

OHBA welcomes the proposed caps to parkland dedication for larger sites to ensure cost certainty and protect project viability.

Recommendation #3: Provide for a Mix of Land and Cash-in-lieu for Conveyance

In some cases, conveyance of a full 10% of a site may unduly limit potential development or force an inefficient site layout.

Proponents (and sites) need flexibility and should have the option to fulfill conveyance requirements with a hybrid mix of up to 5% land and 5% cash-in-lieu. This arrangement is typical in municipal parkland dedication bylaws. This flexibility should be included in the Planning Act.

Proposed new wording:

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Section 42(3.6) The municipality shall permit a parkland obligation to be satisfied by a combination of the conveyance of land pursuant to subsection (1) and the payment of cash-in-lieu pursuant to subsection (6) up to an equal split between the two.

Recommendation #4: Community Design, Secondary Plans & Landowner Groups

The *Planning Act* must be clarified to confirm that council approved community design plans, or secondary plan policies, providing for park requirements should prevail over any dedication requirement implemented in the Parkland Dedication By-law.

Landowner groups are required by municipalities to collectively account for the provision of parkland based on proposed land uses and densities. The cost of the parkland is then dispersed among the landowners. It is now 'double dipping' if parkland will also be sought on a site-specific application basis without set-off or reduction for the parkland benefits already provided by the land in the context of the landowner group.

Proposed wording for new sections:

s.42(6.5) The amount of a parkland contribution in any case shall be reduced by the value or any parkland contribution that has otherwise been provided.

s.42(6.6) A dispute regarding the whether parkland was previously given, or a payment made, may be made under protest as stated in subsection (12).

s.42(6.7) A dispute regarding a parkland contribution shall be determined in accordance with section 42(10) and (4.34 to 4.39).

- To incent developments to proceed more quickly, the parkland dedication rates should be set at the time council receives a site plan application for a development; or if a site plan is not submitted, at the time council receives an application for a zoning amendment (the status quo would apply for developments requiring neither of these applications).
- 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 legislation provides that parkland dedication rates will be frozen for two years from the date the relevant application is approved.

OHBA welcomes setting parkland dedication rates at the time of site plan application or zoning amendment in order to ensure cost certainty and protect project viability.

- To make more efficient use of available land in a development and to provide for parks more quickly for a community, developers would be able to identify land, including encumbered land (e.g., land with underground transit tunnels or other infrastructure) and privately owned public spaces that would count towards any municipal parkland dedication requirements if defined criteria, as set out in a future regulation, were met.
- With regard to privately owned public spaces, a municipality would have the ability to enter into agreements with the owners of the land, which may be registered on title, to enforce parkland requirements.

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- In cases, where disputes arise about the suitability of land for parks and recreational purposes, the matter could be appealed to the Ontario Land Tribunal (OLT).

OHBA and its members welcome the above changes to parkland identification and selection to make more efficient use of land and to speed up delivery of both new housing and parkland. We welcome standardization and consistency of acceptable parkland across the province.

There are many instances of development downtown and inside the greenbelt where an encumbrance below or above grade can and should be acceptable. Similarly, whether land is sloped or oddly shaped should not stop the land from being utilized as park space. It was not feasible to demand that all parkland be unencumbered. Allowing encumbered land below or above grade to be included as parkland is a welcomed and very cost-effective solution to help new developments afford to create new parkland.

Recommendation #5: Allow Encumbered Land by Below *or Above* Grade Infrastructure

Proposed wording:

Revise section 42(4.31) (a)(iii) to say:

Encumbered by below <u>or above</u> grade infrastructure

- To build more transparency and accountability on planning for and acquiring parks, municipalities would be required to develop a parks plan before passing a parkland dedication by-law.
- Currently, this is a requirement before a municipality can adopt the official plan policies required to use the alternative parkland dedication rate for higher density developments.
- Now, this requirement is extended to municipalities that plan to use the standard parkland dedication rate. This rate requires that the maximum land to be conveyed for park or other public recreational purposes not exceed 2 per cent for development or redevelopment for commercial or industrial purposes and 5 per cent for all other developments.
- This proposed change would apply to the passage of a new parkland by-law.

OHBA welcomes standardization and consistency of municipal parks planning across the province.

- Municipalities will be required to allocate or spend at least 60 per cent of their parkland reserve balance at the start of each year.

OHBA welcomes the standardization of spending/allocation of DCs, parkland dedication and the CBC. This will encourage the actual development of parks rather than the accumulation of reserve funds.

In general, cash-in-lieu funds *<u>should be allocated within the community</u>* for which they are collected. A municipality could frustrate the government's intent by changing the proportions dedicated to ward vs. city-wide accounts, and allocating funds to "city" projects that require the accumulation of a large amount of capital funds.

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To prevent this, the province should consider mandating the breakdown between ward and city-wide allocations and also confirm that money cannot be transferred between areas. Further, if funds are temporary borrowed for a project outside of the ward then it must be returned to the ward fund within 2 years.

- Affordable housing units would also be exempt from parkland dedication requirements. With regard to the standard parkland rate, the exemption would be implemented by discounting the maximum parkland rate of 5% of land or its value based on the number of affordable housing units to be built as a proportion of total units in a particular development. With regard to the alternative parkland dedication rates, the maximum parkland requirements would only be calculated based on the market units in a particular development.
- To incent the supply of attainable housing units, a residential unit, in a development designated through regulation, would be exempt from development charges, parkland dedication requirements and community benefit charges.
- The Lieutenant Governor in Council would be provided with regulation-making authority to prescribe any applicable additional criteria that a residential unit would need to meet to be exempt from municipal development-related charges.
- The parkland dedication and community benefits charge exemptions would be calculated based on the same approach proposed for affordable housing exemptions.

OHBA supports exempting attainable and affordable housing units from development charges, parkland dedication requirements and community benefit charges in order to promote increasing density and providing more affordable homes.

- These proposed changes to parkland dedication would be in effect immediately upon Royal Assent of Bill 23 and would apply to developments for which a building permit has not yet been issued.

OHBA supports the transition provisions applicable to development applications for which a building permit has not yet been granted.

Recommendation #6: New Parkland Rates for Non-registered Subdivisions

In regards to subdivision applications, however, the new parkland rates should apply for any subdivision approval that has not yet been registered – rather than merely having received draft approval.

Proposed wording:

Section 51.1(3.2.1) Subsection (2) and (3.1), as they read immediately before the day subsection 18(9) of Schedule 9 of the *More Homes Built Faster Act, 2022* comes into force, continue to apply to a draft plan of subdivision approved *registered* on or before that date, if,

(a) the approval authority has imposed a condition under subsection (1) requiring land to be conveyed to the municipality; and

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(b) subsection (2), as it read immediately before the day subsection 18(9) of Schedule 9 to the *More Homes Built Faster Act, 2022*, [i.e. this subsection (3.2.1)] comes into force, applies [i.e. the municipality may impose a dedication requirement at the old alternate rate].

Recommendation #7: Allow Parkland Payments to be made over 5 years

The *Planning Act* should include provisions so a required parkland payment may be made over 5 years similar to what is contained in the *Development Charges Act* sections 26(3) and 27 or 4.1(11 to 13).

Proposed new wording:

Section 42(3.7) A parkland cash-in-lieu payment referred to in subsection (6) may be paid in equal annual instalments beginning on the date of the issuance of a permit under the Building Code Act, 1992 and continuing on the following four anniversaries of that date.(3.8) A municipality may enter into an agreement with a person who is required to pay cash-in-lieu of parkland providing for all or any part of the payment to be paid before or after it would otherwise be payable.

Amount of charge payable

(3.9) The total amount of the cash-in-lieu of parkland payable under an agreement under this section is the amount of the payment that would be determined under the by-law on the day specified in the agreement or, if no such day is specified, at the earlier of,

(a) the time the cash-in-lieu of parkland payment or any part of it is payable under the agreement;

(b) the time the cash-in-lieu of parkland payment would have been payable in the absence of the agreement.

Interest on late payments

(3.10) An agreement under this section may allow the municipality to charge interest, at a rate stipulated in the agreement, on that part of the cash-in-lieu of parkland paid after it would otherwise be payable.

Development Charges

OHBA believes the proposed changes on development charges are a positive step forward in supporting the construction of new housing. Builders across Ontario have noted rapid increases in development charges over the last number of years, in many cases these increases happening in rapid succession and without any transition period. This not only places significant financial pressure on the construction of new homes, but it also ultimately makes its way into the end cost to home buyers.

OHBA supports the proposed changes to the *Development Charges Act* to provide for more stability and certainty for new home buyers. Phasing in rates over five years, increasing the by-law update period to 10 years and ensuring a 60% portion of development charge reserve balances are utilized on infrastructure ensures that local priorities are met while creating more cost certainty for future residents.

Recommendation #7 Set maximum interest rate for DC freeze and deferral (prime + 1 per cent)

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- To provide for more consistent municipal interest rate charges that apply during the period that development charges are frozen and/or deferred, a maximum interest rate of Canadian Banks prime rate plus 1.0% per annum would be set for these periods as of June 1, 2022.
- The municipal interest rate charge would apply to the freeze and deferral period from the date the applicable application is received to the date the development charge is payable.

OHBA supports the standardization of municipal interest rate charges that apply during the period that development charges are frozen and/or deferred across the province. It is important to establish the fundamentals for consistency and transparency across municipalities, which will help ensure cost certainty and protect project viability.

Recommendation #8: Set Interest Rate for a Late DC Payment

OHBA suggests, however, to amend Section 27 of the *Planning Act* (regarding agreements for the early or late payment of DCs) so that a municipality cannot set an alternate or punitive interest rate for a late payment, as it is not clear if sections that stipulate the interest to be applied in the case of residential rental prevail over section 27.

Proposed wording: *s.27(3) An agreement under this section may allow the municipality to charge interest at a rate stipulated in the agreement, but interest shall not exceed an amount calculated pursuant to section 26.3, on that part of the development charge paid after it would otherwise be payable.*

Recommendation #9: Allow CBC to be Paid over the Same Timeframe as DCs

Similar to the *Development Charges Act* (section 26.1(3 & 7)), the *Planning Act* should state that a CBC payment for any project may be provided over 5 years subject to annual interest. (Bill 23, Sch 3, s.7(2 & 3))

Proposed wording: s.37(44.1) *A required community benefits charge payment shall be paid in equal annual instalments beginning on the earlier of the date of the issuance of a permit under the Building Code Act, 1992 authorizing occupation of the building and the date the building is first occupied, and continuing on the following five anniversaries of that date.*

- Reduce development costs to enable more housing to be built faster
- Phase-in development charge rates set out in new DC by-laws over a 5-year period. The DC rates set out in new DC by-laws would be subject to a percentage reduction that gradually decreases each year, over a five-year period (i.e., 20 per cent reduction in year 1, 15 per cent in year 2, 10 per cent in year 3 and 5 per cent in year 4). With this proposal, the maximum development charge rate would be applied in year five of the DC by-law. This proposed change would apply to any DC by-law passed as of June 1, 2022.

OHBA supports the phase in of development charge rates to ensure cost certainty, protect project viability, and support housing affordability. Phasing increases over 5 years will allow home builders to plan ahead more effectively and will provide better pricing to future homeowners and renters. Development approvals take years to obtain, so this policy change will allow for more cost certainty which will encourage more cost-effective housing options to be built.

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Recommendation #10: Implement CBCs to be Paid Same as DCs

The *Planning Act* should be amended to allow CBC by-laws passed between June 1, 2022, and the coming into force of the More Homes Built Faster Act, be deemed to be reduced and thereby implemented over a 5-year period.

This is reasonable since prior to September 2022, CBCs were not applicable to all projects. This implementation period will permit development to plan and account for the new CBC payment.

Proposed wording [similar to what is found in Bill 23, Sch 3, s.5(7) defining changes to be made to the *Development Charges Act* section 5(7 & 8)],:

37 (44.1) Subsection (44.2) applies to a community benefits charge imposed by a community benefits charge by-law passed on or after June 1, 2022.

Subsection (44.2) The amount of a community benefits charge shall be reduced in accordance with the following rules:

1. *A community benefits charge imposed during the first year that the by-law is in force shall be reduced by 80 per cent of the community benefits charge that would otherwise be imposed by the by-law.*
2. *… reduced by 85 per cent…*
3. *… reduced by 90 per cent…*
4. … *reduced by 95 per cent…*

1. (a) Update a development charge by-law at least once every 10 years compared to the

current requirement to update every 5 years.

(b) Use a historical service level of 15 years compared to the current 10 years to calculate capital costs that are eligible to be recovered through development charges. This would not apply to transit. This proposed change would apply to the passage of any new DC by-law.

(c) Remove housing services from the list of eligible services. DCs could no longer be collected for housing services, effective immediately, upon Royal Assent of Bill 23.

(d) Limit eligible capital costs to ensure greater cost certainty:

- Studies would no longer be an eligible capital cost that could be recovered through development charges.
- A regulation-making authority would be provided to prescribe specific services for which the cost of land would not be an eligible capital cost that could be recovered through development charges.
- These proposed changes to eligible capital costs would be apply on a go-forward basis to the passage of new DC by-laws.

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OHBA supports the above changes to *the Development Charge Act* to ensure cost certainty, protect project viability, and support housing affordability.

Recommendation #11: Eligible Cost to Acquire Land for DC Eligible Service

It is our request that the *Development Charges Act* be revised to state that the cost to acquire land required for a DC eligible service is also a DC eligible cost. It is logical to include, and it is even an omission that it does not currently state, that land require for a DC project is a development charge cost. For example, the cost of land for a city-wide pond is a cost that should be included. This revision may be achieved by including the below wording in section 2(4) of the Development Charges Act.

Proposed wording: *2(4) # Land required for the provision of identified services*

Recommendation #12: Credit for DC Eligible Services

Section 38 of the *Development Charges Act* should be revised to clarify and direct that municipalities shall provide credits when development charge eligible services are provided.

Section 38(1) appears to state that credits shall be provided but the current practice of several municipalities is to request the provision of services as a condition of development approval when the service is actually a development charge eligible service. Also, many municipalities consider the granting of a credit as being within the discretion of the municipality when the credit should be mandatory if a DC eligible service has been provided.

This section would also be strengthened if it explicitly stated that, in the event of a dispute on the quantum of a credit or whether a service is eligible for a credit, an appeal to the Ontario Land Tribunal may be submitted – wording similar to what is contained in Section 49.

The Tribunal shall decide whether the service provide is eligible for a credit and what the appropriate quantum of credit shall be. Section 18 could then apply if a refund is due.

Proposed wording:

New Section 38(5) In the event of a dispute as to whether a credit shall be given, or the value or quantum of the credit, the owner of land may object to the credit by filing with the clerk of the municipality on or before 30 days after notice of the credit was provided to the owner, and the notice shall set out the objection to the credit and the reasons supporting the objection.

New section 38(6 to 14) – [Reproduce with required modifications the wording found within the Development Charges Act sections 48 and 49]

Recommendation #13: DC Background Study Criteria & Transfer of Funds

Although there were no changes to the *Development Charges Act* in regards to DC Background Studies proposed by Bill 23, there are two amendments being requested that we believe would support and complement the

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government's efforts to address our housing affordability and supply crisis by streamlining approvals for housing and reducing barriers and costs to development.

Either s.10(2) of the Development Charges Act, or the regulation, should be revised to state the Background Study shall include:

A detailed list and accounting of funds that have been collected, spent, allocated between growth and non-growth, funds borrowed for growth projects, repayments, an interest payments, and/or transferred, between services and/or capital facilities in addition to an indication of when the funds will be transferred back. The municipality shall produce this report on an annual basis and shall make it publicly available.

And, another section should be added to the *Development Charges Act* to state:

Funds identified in the Background Study, as required by section 10(2)(x), shall be returned to the account from which it was transferred within 5 years.

- Increase transparency and accountability in the use of development charges funds
- To incent municipalities to plan and build priority infrastructure to service growth more quickly, municipalities would be required to allocate or spend at least 60 per cent of their development charges reserve balance for water, wastewater and roads at the start of each year. Regulation-making authority would be provided to prescribe additional priority services, for which this would apply, in the future.

OHBA welcomes the standardization of spending/allocation of DCs, parkland dedication and the CBC. This will encourage the actual development of parks rather than the accumulation of reserve funds.

- Encourage the supply of rental housing
- To incent the supply of rental housing units, particularly family-friendly rental housing, a tiered discount would be provided on development charges levied on purpose-built rental units. The discount would be deeper depending on the unit type (i.e., 15 per cent for a 1-bedroom unit (or smaller), 20 per cent for a 2-bedroom unit; 25 per cent for a 3+ bedroom unit). This proposed change would be in effect immediately upon Royal Assent of Bill 23.
- The definition of purpose-built rental would be based on the definition that is currently used in a regulation under the Development Charges Act, 1997: "a building or structure with four or more dwelling units all of which are intended for use as rented residential premises".

OHBA supports the above changes to the *Development Charge Act* to ensure cost certainty, protect project viability, and support housing affordability.

In the current environment of rising interest rates and high inflation, purpose built rental projects are very challenging to finance. Reducing development charges for rental housing is a very smart incentive - any reduction of costs will spur more investment in purpose built rental development. Builders also require as much support as possible to get planned units delivered to the market.

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- Encourage the supply of affordable housing
- To incent the supply of more affordable housing, affordable ownership and rental housing units, affordable housing units in a development subject to inclusionary zoning, as well as non-profit housing developments would be exempt from development charges, community benefits charges and parkland dedication requirements.
- The proposed exemptions for non-profit housing developments would come into effect immediately upon Royal Assent of Bill 23. Similarly, the proposed exemptions for affordable units in a development subject to inclusionary zoning would come into effect immediately.
- For all other developments, an affordable housing unit would be any unit that is no greater than 80 per cent of the average resale purchase price for ownership or 80 per cent of the average market rent for rental, for a period of 25 years.
- A Minister's (Municipal Affairs and Housing) bulletin would provide the information needed to support municipal determination of the eligibility of a unit for development charges and parkland dedication exemptions.
- To benefit from a development-related charge exemption, a developer must enter into an agreement with a municipality, which may be registered on title, to enforce the affordability period of 25 years and any other applicable terms set out by the municipality, such as the eligibility of buyers and renters. The Minister of Municipal Affairs and Housing would have the authority to impose the use of a standard agreement to ensure the effective implementation of these exemptions.
- Affordable housing units would also be exempt from parkland dedication requirements. With regard to the standard parkland rate, the exemption would be implemented by discounting the maximum parkland rate of 5% of land or its value based on the number of affordable housing units to be built as a proportion of total units in a particular development. With regard to the alternative parkland dedication rates, the maximum parkland requirements would only be calculated based on the market units in a particular development.
- Similarly, affordable housing units would be exempt from community benefits charges. The exemption would be implemented by discounting the maximum CBC of 4% of land value by the floor area of affordable housing units as a proportion of total building floor area.

OHBA supports the above changes to promote the construction of affordable housing (defined as 80 per cent average market rate), and to increase the overall housing supply across the province. The exemption of fees related to affordable units will help projects get off the ground and will encourage more investment in new housing.

Recommendation #15: Regional considerations regarding eligibility of a unit for development charges and parkland dedication exemptions

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It is essential that the Bulletin specify an affordable rate be defined according to appropriate geographic areas.

- **To encourage the supply of gentle intensification, a new parkland dedication exemption and refined DC exemptions are proposed to align with proposals under the *Planning Act* to implement an enhanced "additional residential unit" framework. A second unit in a primary residential building and up to one unit in an ancillary building would be exempt from DCs and parkland dedication requirements. Similarly, a third residential unit in a primary residential building would be exempt from DCs and parkland dedication requirements as long there are no residential units in an ancillary building.**

OHBA supports the standardization of the applicability of DCs, parkland dedication and the CBC on additional dwelling units. This will help encourage the increase of "gentle density" in existing neighbourhoods.

However, we are concerned that there are potential loopholes in the proposals that municipalities will abuse to unreasonably restrict conversions, thereby severely limiting the ability to increase intensification in existing neighbourhoods and work against the government's efforts.

We provide some high-level comments on our concerns in our submission on ERO #019-6163 and will expand on this issue in comments to ERO #019-6197.

- **Encourage the supply of attainable housing**
- **To incent the supply of attainable housing units, a residential unit, in a development designated through regulation, would be exempt from development charges, parkland dedication requirements and community benefit charges.**
- **The Lieutenant Governor in Council would be provided with regulation-making authority to prescribe any applicable additional criteria that a residential unit would need to meet to be exempt from municipal development-related charges.**
- **The parkland dedication and community benefits charge exemptions would be calculated based on the same approach proposed for affordable housing exemptions.**

OHBA supports the above changes to promote the construction of attainable housing, and to increase the overall housing supply across the province, although additional details are required.

Recommendation #16: Add "Ownership" to Attainable Housing Section

It is our suggestion that the word "ownership" should be added to the header for the Attainable section 4.1(4) to read "Attainable residential unit, ownership".

We thank the Ministry for the opportunity to comment on these proposals. We also recognize that there is still more work to do and OHBA as a critical housing stakeholder in the housing sector may provide further comments at a later date. We look forward to continuing engaging with the Ministry in order to ensure these proposals are aligned with the goals of improving housing attainability.