



Ontario
Home Builders' Association

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August 11, 2016

Maureen Johnson
Ministry of Infrastructure
900 Bay Street, Mowat Block, 5th FL
Toronto, ON M7A1C2

Re: Consultation on Proposal for Municipal Asset Management Planning Regulation
EBR Registry Number: 012-8153

The Ontario Home Builders' Association (OHBA) is broadly supportive of measures to establish mechanisms to encourage evidence-based and strategic long-term infrastructure planning that supports job creation and training opportunities, economic growth and the protection of the environment. The *Infrastructure for Jobs and Prosperity Act, 2015* (Bill 6) offers an important function to ensure that the government, and every broader public sector entity (as defined in section 2), must consider a specified list of infrastructure planning principles when making decisions respecting infrastructure. While the EBR posting notes that almost all municipalities in Ontario have an asset management plan, significant differences remain in the completeness, level of detail, and methodology and assumptions used to develop these plans. OHBA is strongly supportive of the province implementation a Municipal Asset Management Planning (AMP) Regulation that will strongly enhance AMP by providing greater transparency, consistency and accountability in communities throughout Ontario.

OHBA notes that in 2015, the Ministry of Municipal Affairs and Housing established a number of technical working groups to provide recommendations with respect to regulations that would implement the amendments to the *Development Charges Act* as was at the time proposed by the *Smart Growth For Our Communities Act, 2015* (Bill 73). These legislative amendments and the Regulations resulting from the legislative amendment ensured that municipal Development Charges Background Studies would have a strong link to correlate with municipal AMPs through life cycle (maintain and replace) costing for infrastructure. It is therefore critical that the proposed Municipal Asset Management Planning regulations under the *Infrastructure for Jobs and Prosperity Act, 2015* (Bill 6) ensure greater consistency, accountability and transparency in the preparation of municipal infrastructure AMPs. OHBA recommends that additional accountability mechanisms be put in place to ensure AMPs are prepared with rigour and that there is provincial accountability and oversight as well as a full public engagement process at the municipal level. OHBA also recommends that the Ministry of Infrastructure work closely with the Municipal Finance Policy Branch at the Ministry of Municipal Affairs to ensure the municipal infrastructure AMPs are integrated into municipal financial policy and municipal land use planning processes.

OHBA is supportive of the principles found in the model regulation distributed to stakeholders at the consultations and applaud the government for continuing its support of open, transparent and accountable financial plans. We believe that additional strength could be added to ensure municipalities abide by an AMP if it were integrated into the planning process as a condition of Official Plan approvals under the *Planning Act*. The rigour associated with a potential evidence-based review by a third party provides for better outcomes as it ensures public and transparent scrutiny of the AMP outcomes a concept that underpins a successful AMP.

OHBA supports including a number of key components into a Municipal Asset Management Planning Regulation:

- Establishing common language and definitions province wide to achieve municipal consistency;
- Clearly defining and explaining service levels (Level of Service);
- Strengthening lifecycle management practices for municipalities (both in terms of future liabilities and life cycle costs). OHBA believes that such an element would assist to ensure better long-term decision making in the best interests of the community (rather than shorter term politically motivated infrastructure decisions);
- A Municipal AMP Regulation must be consistent with the regulations passed under the changes made to the DC Act (O.Reg. 82/98) which came into effect on January 1, 2016. OHBA supports a strong link between municipal development charges background studies as required under the *Development Charges Act* and new regulations that came into effect in 2016 with respect to transit development charges (specifically with respect to Level of Service for transit) and the proposed Municipal AMP Regulation.
- Ensuring an asset management plan will be informed by Ontario's land-use planning framework, priorities and outcomes, as set out in the PPS, provincial land use plans such as the Growth Plan, and municipal official plans where applicable;
- Ensuring that an asset management plan will be consistent with the municipality's budget and any long-term financial plan;
- Outlining a specific timeline (every four years) for a municipality to be required to update their asset management plan as well as the requirement for council to receive an annual update on asset management planning progress;
- Ensuring that a strategic asset management policy be prepared and approved by council by January 1, 2018;
- Strong support for a financial strategy that explains how activities in relation to achieving the proposed level of service will be funded and that shows expenditure forecasts for at least 10-years, actual expenditures for the previous five years, revenue forecasts for the next five years and discusses key assumptions and alternative funding considerations. This proposed level of rigour will significantly enhance municipal accountability and transparency with respect to infrastructure assets and decisions related to infrastructure;
- Ensuring the Municipal Infrastructure AMPs are required to be publically accessible;

OHBA recognizes that some smaller municipalities have voiced concerns with respect to the costs of the potential requirements of the regulation. While OHBA believes the long-term financial benefits to Municipal AMPs outweigh the short-term costs associated with complying to the regulation, we would support consideration for a low population threshold for an exemption to comply with the Municipal AMP Regulation. A condition of any such exemption should also be that any municipality which has passed a development charges by-law should not be eligible for an exemption and therefore should be required to meet all the requirements of a Municipal AMP Regulation under the *Infrastructure for Jobs and Prosperity Act*.

Lastly, OHBA is encouraged that the Ministry of Infrastructure is working on a municipal AMP Regulation in close collaboration with the Ministry of Municipal Affairs. It is important that a strong connection be made between long-term municipal finances, infrastructure planning and land use planning. OHBA therefore supports efforts to integrate municipal AMPs into the development charges background study process as well as better integration into the land use planning process through municipal Official Plans and Secondary Plans.

OHBA appreciates the Ministry of Infrastructure's attention to this matter and support of infrastructure asset management planning. OHBA looks forward to ongoing and future consultation with the industry and dialogue with our municipal partners as a Regulation is developed. OHBA is the voice of the residential construction industry in Ontario. Our members have built over 700,000 homes in the last ten years in over 500 Ontario communities. Our association includes over 4,000 member companies organized into a network of 30 local associations across the province, contributing over \$51 billion to Ontario's economy and employing over 331,000 people.

Sincerely,



Mike Collins-Williams (MCIP, RPP)
Director, Policy
Ontario Home Builders' Association