



## **Province Announces Planning System & Development Charges Act Consultations**

### **THE CONSULTATION ANNOUNCEMENT**

Earlier today at the Association of Municipalities of Ontario's (AMO) Annual Conference in Ottawa, the Minister of Municipal Affairs and Housing Hon. Linda Jeffrey announced that the Provincial Government intends to launch two simultaneous, but separate, consultations that will have significant impacts on the new housing and land development industry as well as new home buyers.

The two consultations will include:

- Ontario's land-use planning system and decision making process, including land-use appeals to the Ontario Municipal Board (OMB); and
- The Development Charges Act (DCA) and other municipal development related fees and charges (section 37 agreements, cash-in-lieu of parkland dedication, etc.).

### **OHBA RESPONSE TO THE ANNOUNCEMENT**

In an [OHBA Media Release](#) earlier today, Chief Operating Officer Joe Vaccaro noted the time is right for the province, municipalities and industry to make affordability and fairness a cornerstone of Ontario's planning system.

With respect to the land-use planning approvals process, Vaccaro said that, "this is an opportunity to have a fact-based discussion about how Ontario's lengthy and complex public planning system is challenging housing affordability and adding to the costs of new communities for Ontarians."

Regarding consultations on the *Development Charges Act*, Vaccaro noted that, "by placing the new neighbours at the centre of this discussion in terms of affordability and fairness, we welcome the opportunity to have a detailed discussion on the impact of development charges, parkland dedication fees, section 37 agreements and voluntary charges on housing affordability. OHBA has been advocating for greater accountability and transparency by municipal governments so that new neighbours understand that up to one quarter of the cost of their new home is to pay for the infrastructure used by the broader community."

## **OHBA EFFORTS TO ADVOCATE, INFORM AND EDUCATE THE PROVINCIAL GOVERNMENT**

OHBA has a long history of specific public policy positions on many aspects of Ontario's land-use planning system, including strong support for an independent third party appeals system that provides decisions based on planning evidence and on the merits of the application itself rather than short-term political calculations, a role currently fulfilled by the OMB.

OHBA has previously opposed a legislative review of the *Development Charges Act*, due to strong concerns that the provincial government would likely consider expanding the scope of the legislation to allow municipalities to levy even more additional charges onto new home buyers. The association was able to secure a commitment from the previous Premier McGuinty in 2008, not to open the legislation for review. However, under new leadership the provincial government has relented to the decade long campaign from the Association of Municipalities of Ontario (AMO) to now open the legislation for review.

AMO has a very strong relationship with the current provincial government and has an extensive 'wish list' of legislative amendments that would extract significant sums of money from new home buyers to cover an even wider range of municipal services and infrastructure that benefits the entire municipal tax base. The province and municipalities must consider affordability and fairness within the *Development Charges Act*, which is really the new neighbour tax, whereby new communities are forced to finance long-term municipal infrastructure deficits. OHBA has been consistent in its position that growth should pay for growth, but municipalities must recognize infrastructure benefits to existing residents and for there to be greater fairness, accountability and transparency in all growth related taxes, fees and charges.



## **PROVINCIAL SUPPORT TO INCREASE FISCAL CAPACITY OF MUNICIPALITIES**

OHBA notes that The Province of Ontario has greatly increased fiscal support and financial flexibility for municipalities over the last decade through:

- Increased direct investment in municipal transit systems & core infrastructure.
- The *Provincial Municipal Fiscal and Service Delivery Review* (PMFSDR) released in fall 2008 is an agreement between the Province of Ontario, AMO and the City of Toronto that uploads a number of services (Ontario Disability Support Program, Ontario Drug Benefit, Ontario Works Benefits and a portion of court security), therefore providing significant additional fiscal capacity for municipalities to invest in core infrastructure.
- In the year 2013 alone, the benefit to municipalities as a result of the provincial uploads will total almost \$1.4 billion. Together with the *Ontario Municipal Partnership Fund* (OMPF), the province is providing municipalities with a combined benefit of \$1.9 billion in 2013.
- Sharing two cents per litre from gas tax revenues with municipalities for long-term, sustainable support for public transit. Municipalities receive provincial gas tax funding totaling over \$300 million on an annual basis. The 2013 Ontario Budget notes this investment has yielded \$2.2 billion for public transit since 2004.
- The federal government has also increased its support for municipal governments through the Federal Gas Tax Fund (GTF). From 2007-08 to 2013-14, municipalities will receive a total of \$11.8 billion in gas tax funding.

OHBA notes the increased municipal fiscal capacity was expected to create new fiscal resources to allow for municipalities to increase local investments in municipal core infrastructure and reduce a decades in-the-making infrastructure deficit. This has not happened, and municipalities are looking for additional revenue streams from industry through new home buyers.

## **NEXT STEPS FOR OHBA**

In preparation for the upcoming consultations - OHBA intends to create two new committees to work closely with the existing OHBA Land Development Committee, one new committee for each consultation, made up of volunteer members from across the province. The two consultations may have far reaching implications for housing affordability and choice and for the businesses operated by OHBA members – it is critical that OHBA have strong support from a wide range of members to further develop industry association policies and to proactively engage with government throughout the consultation process.

OHBA encourages members to register for and attend the upcoming [OHBA Conference in Niagara Falls](#) where these two new committees will be launched. OHBA will also develop a strong set of resolutions to be voted on at our Annual Meeting of Members on September 23rd at the OHBA Conference to set the initial policy direction of the association in response to the launch of these consultations.



**Ontario** Home Builders' Association

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