



April 20, 2020

John Ballantine
 Municipal Finance Policy Branch
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Durham Region Home Builders' Association: submission on proposed regulations under the *More Homes, More Choice Act, 2019 (Bill 108)*:

ERO 019-1406 - Proposed regulatory matters pertaining to community benefits authority under the Planning Act, the Development Charges Act, and the Building Code Act

The Durham Region Home Builders' Association is supportive of the *More Homes, More Choice Act, 2019 (Bill 108)* and the *Housing Supply Action Plan*. The Durham Region Home Builders' Association is a proud local association of both the Ontario Home Builders' Association (OHBA) and the Canadian Home Builders' Association (CHBA). The Durham Region Home Builders' Association has been the voice of the residential construction industry since 1953, and represents over 170 member companies, many of them builders and developers. The Durham Region Home Builders' Association is responding to the regulatory consultation as the proposed Community Benefits Charges framework will have a profound financial impact for our members and ultimately home purchasers or renters in Durham Region.

While the Durham Region Home Builders' Association is supportive of the *Housing Supply Action Plan* we have significant concerns regarding the February 28th environmental registry posting on the proposed community benefits authority under the *Planning Act* and *Development Charges Act* which may ultimately result in significant increases in fees and charges for new housing in Durham Region. This would make new housing and new rental units in our community much more expensive unless significant changes are made.

The Durham Region Home Builders' Association reached out to our builder members and asked them to do the calculations to determine the potential impacts on housing costs across the region. The responses we got back were astonishing, and the numbers are terrifying when it comes to affordability. Please view the chart below to see a sample of the impact that the CBCs could have across Durham Region:

Municipality	Housing Type	Cost Increase	Per Cent Increase
Oshawa	Single Detached	\$39,707.30	63%
Oshawa	Single Detached	\$40,230.40	63%
Oshawa	Single Detached	\$42,227.30	67%
Whitby	Townhouse	\$24,395.82	54%
Whitby	Semi-Detached	\$28,996.80	41%

Whitby	Single Detached	\$39,766.80	52%
Whitby	Single Detached	\$53,281.92	87%
Clarington	Single Detached	\$30,425.60	46%
Clarington	Single Detached	\$32,425.60	48%
Clarington	Single Detached	\$34,066.49	50%
Ajax	Townhouse	\$35,397.30	47%
Ajax	Single Detached	\$48,295.40	58%
Pickering	Single Detached	\$60,233.90	76%

We are recommending the provincial government address a number of specific issues to ensure a fair, balanced and transparent approach for the new Community Benefits Charges authority in support of housing supply and job creation are as follows:

- The CBC regulation must include a detailed ineligible services list for CBCs;
- The proposed cap (15% single tier and a combined 15% between upper and lower tier municipalities) represents a potential significant increase in government-imposed charges for new ownership and rental housing. Currently low-rise and greenfield housing in our community contributes a 5% land dedication towards parkland and contributes to growth related infrastructure through development charges. The proposed regulation moves a number of services initially proposed in the CBC back to hard development charges with 100% cost recovery and there are few if any additional services that should be captured in the new CBC regime that would account for the other 10% of potential additional charges that could dramatically reduce housing affordability.
- There should be NO CBC for low-rise greenfield development. Growth should pay for growth and municipal revenue streams should be protected via Development Charges and municipalities in Durham Region can require parkland dedication in accordance with section 51.1 of the Planning Act (A maximum 5% parkland dedication) for low-rise housing. This would ensure that members of the Durham Region Home Builders' Association can work with our municipal partners to ensure we are building complete communities and providing physical parkland in our communities. The CBC framework should only apply to high density development.
- The proposed appraisal / land valuation date for low-rise housing at the building permit stage is flawed and must be amended. As currently proposed the appraisal and valuation would occur when the land value is the highest after the development proponent has built and paid for significant infrastructure into the ground. In essence, the CBC as proposed would tax the capital invested by the developer. Furthermore, as currently proposed the appraisal and valuation would occur AFTER the homes have already been sold, thus there is no certainty or predictability for either businesses or consumers potentially resulting in significant adjustments on closing for purchasers over and above what they paid for the home. The CBC payment should be calculated as the value on the day prior to approval of a development application (site plan control, zoning bylaw amendment, and consent to sever applications or draft plan of subdivision application where there is no siteplan application).
- Lastly service standards must be applied for municipal implementation of CBC by-laws and strategies. There must be a robust framework in place to ensure fairness, accountability and transparency for the new CBC framework

Durham Region Home Builders' Association has been supportive of this provincial governments initiatives to address Durham Region's housing supply challenges that are making both home ownership and rental housing unaffordable. However we are very concerned that the regulatory posting as proposed will result in *significant* increases in government imposed charges for low-rise housing Durham Region Home Builders'

Association looks forward to working with the Ministry and all stakeholders to establish a fair CBC framework.

Sincerely,

A handwritten signature in black ink, appearing to read "Stacey Hawkins". The signature is fluid and cursive, with a prominent loop at the end.

Stacey Hawkins

Executive Officer

Durham Region Home Builders' Association

C. Ontario Home Builders' Association