



**BUILDING A GREATER GTA**  
Building Industry and Land  
Development Association

April 20, 2020

Mr. John Ballantine  
Ministry of Municipal Affairs and Housing  
Municipal Finance Policy Branch  
777 Bay Street  
Toronto, Ontario  
M7A 2J3

**ENVIRONMENTAL REGISTRY OF ONTARIO POSTING #019-1406**

Dear Mr. Ballantine,

**RE: *Proposed Regulatory Matters Pertaining to Community Benefits Authority Under the Planning Act, the Development Charges Act, and the Building Code Act***

---

On behalf of the members of the Building Industry and Land Development Association, we are pleased to provide you with comments in response to the ERO #019-1406 – Proposed regulatory matters pertaining to community benefits authority under the *Planning Act*, the *Development Charges Act*, and the *Building Code Act*.

With approximately 1,500 member companies, BILD is the voice of the home building, land development and professional renovation industry in the Greater Toronto Area and Simcoe County. The building and renovation industry provides over \$34 billion in investment value and employs over 270,000 people in the region. BILD members are city builders. They are active in all segments of the housing market, including intensification and greenfield development, and all types of housing including single family homes, townhouses, high-rise apartments, mixed-use, ownership and rental housing.

They build and renovate the residential and commercial buildings across the GTA where residents work, live and play. As an organization, BILD's primary role is to advocate with local and provincial governments for responsible and informed policy that recognizes the important role our membership plays in meeting the residential and commercial building needs of a growing region.

BILD's views are based on extensive experience. Our members are at the implementation forefront of provincial and municipal policy. As an interested and affected stakeholder, we appreciate the opportunity to provide input into the process of creating a Community Benefits Authority. We value the dialogue that we have had with provincial officials on this topic, and look forward to continued conversations after the formal consultation period comes to a close.

It is imperative that we collectively arrive at a Community Benefits Authority regime, and community benefit charges (CBC), that will not make development more expensive, but instead work for all stakeholders including municipalities, residents and home buyers of the Greater Toronto Area and Simcoe County. It is also critical that we ensure that the proposed Community Benefits Authority is in line with the stated objectives of the province's Housing Supply Action Plan – to address the current housing supply crisis, unlock the development of all types of housing, to give Ontarians more choice and to help bring costs down.

20 Upjohn Rd, Suite 100  
North York, ON M3B 2V9

Tel: 416.391.3445  
Fax: 416.391.2118

[www.gthba.ca](http://www.gthba.ca)

In addition, GTA municipalities should not be adding disproportionate costs on new home buyers as a mechanism to keep property taxes low, especially when the infrastructure benefits all. The impact of all government fees, taxes and charges paid by new home buyers in the GTA are amongst the highest in North America. According to a September 2019 report conducted by the Altus Group for BILD, these charges add \$222,000 to the cost of an average new single-family home and \$124,000 to the cost of an average high-rise apartment in the GTA. It also showed that for a typical single-family home, the average total of all government fees, taxes and charges in the GTA is three times higher on a per-unit basis than it is on average in the six US metropolitan study areas, and nearly double those in the other Canadian urban areas. For high-rise developments, the average per-unit charges in the GTA is one-and-a-half times those in the six US metropolitan areas studied, and roughly 30 per cent higher than in the other Canadian urban areas. The facts demonstrate that government fees, taxes and charges play a significant role in eroding housing affordability in the GTA. Simply stated, these costs are unsustainable.

The success of the CBC, and the entire financial policy regime for development as a whole, is also predicated on the municipalities' timely delivery of application responses and execution of approvals. Without timely development application reviews and approvals, housing affordability will continue to suffer. In addition, it is essential for municipalities to establish a fundamental shift in the way that they assess development related costs. They must be proactive in assessing municipal land needs and in their master planning, including land needs for parks and schools, instead of being reactive to development activity. This will result in more certainty for future homeowners, will also mean that current and future residents benefit and do not end up paying more than necessary.

Altus Group Economic Consulting, has been retained by BILD to provide research and analysis related to the proposed Community Benefits Authority and related community benefits charges, and they are the source for the data and charts included in this submission.

In general, BILD members support the direction of the province to introduce a new methodology of calculating charges for development, with the intention of resulting in these vital fiscal management improvements:

- (1) Ensuring that development fees and charges, including parkland dedication, are reasonable and fairly applied across the full range of development types and densities, and across municipalities, and do not exceed the actual increases in need arising from development, contributing to housing affordability and supply; and
- (2) Improving the transparency, predictability and certainty of development fees and charges when a project is brought to market, by avoiding unpredictable increases and situations where developers are forced to negotiate contributions, such as cash-in-lieu of parkland and section 37 benefits, outside of the *Development Charges Act*. Certainty in costs helps ensure that developers have the information necessary to appropriately price new housing projects. This can encourage more innovative housing forms and faster development, contributing to housing supply and affordability. It can also avoid adjustment increases to purchasers on closing and situations where projects are cancelled because of unexpected costs, which has become even more important as we navigate the challenges we are currently facing during this pandemic.

We therefore present the following set of recommendations as the province works towards the creation of a Community Benefits Authority, and believe that if the following recommendations are adopted, that the provincial objective of protecting municipal revenue streams while increasing housing supply will be closer to being achieved.

**It is very important to note that several recommendations made herein are to be considered in conjunction with others, so that they work together as a collective approach. There are certain recommendations identified throughout this submission that are not to be individually implemented without the balance of the recommendations in the submission being adopted.**

## EXECUTIVE SUMMARY OF RECOMMENDATIONS

- Recognizing that a one-size-fits all approach should not be applied to the proposed CBC, BILD recommends that the province adopt the principle that different treatments for different development types are necessary.
- BILD recommends the calculation of CBCs be required to be based on the same prescribed methodology, and other restrictions and rules, as they apply to the calculation of development charges, and that all of the required calculations must be detailed in the CBC strategy.
- BILD recommends that an appeal to LPAT be available to resolve disputes on the valuation of land.
- Regarding transition in general, BILD recommends that where existing agreements are in place, that the CBC should not apply.
- BILD supports the recommendation of the province to add items to the list of eligible services to be funded through development charges, in order to maintain certain municipal revenues. This list would not include Public Realm/Civic Improvements, Affordable Housing and Long Term Care.
- BILD is not challenging the province's direction to remove the 10% development charge discount on soft services and otherwise recommends that the province apply this discounted value through the other recommendations that are made in this submission.
- BILD recommends that the province limit the percentage cap to a maximum of 10% of the land value, that it apply only to single and lower-tier municipalities, and should be based on a study that is appealable.
- BILD recommends that park needs justification studies should be expressly required to assess whether parkland funded by the CBC would result in an increase in the average amount of parkland per resident within the municipality for parks of various categories (local, community or district).
- BILD recommends that the rules pertaining to the calculation of the CBC should prohibit the CBC funding increases in parkland service levels or parkland that benefits existing development being funded by the CBC.
- BILD recommends that the CBC apply only to new residential development with a net residential development density of over 100 residential units per hectare, with development at lower densities subject to the parkland dedication at the 5% rate.
- In relation, BILD recommends that mid-rise developments classified as a maximum of 11-storeys in higher urbanized centres (in keeping with the City of Toronto's Mid-rise definition in its Mid-rise Building Performance Standards) also be exempt from the CBC, and be subject to parkland dedication at the base rates in the *Planning Act* as amended by Bill 108.

- BILD recommends that, for purposes of a community benefit charge, a transition Regulation be included that provides for parkland contribution obligations to be determined in accordance with Master Parkland Agreements that are entered into before a CBC by-law is adopted.
- BILD also recommends that the Regulation allow for future Master Parkland Agreements to be entered into by municipalities after a municipality adopts a CBC by-law, with appropriate credits/adjustments to the CBC payable within the applicable area, as determined with the municipality. This approach can also be implemented on an area-specific basis.
- As related to high-rise projects, BILD recommends that the value of the CBC be determined well before a project goes to market for sale, and that this be pushed forward to the Municipal Comprehensive Review or Official Plan stage of development. For site-specific development sites and where master plan communities are intended, land values could be determined at the time of a re-zoning application or site plan application stage.
- BILD recommends that for non-residential developments, that this sector be subject to a community benefits charge of 2% of land value, consistent with the current parkland dedication/cash-in-lieu system at per the *Planning Act* rates as amended by Bill 108.
- Adaptive-reuse development or renovation projects should be explicitly exempt from the CBC.

## GENERAL RECOMMENDATIONS

### Applicability of the Proposed CBC on Different Development Types

The current CBC proposal, when broadly applied to all development types, results in an inequitable change to the application of these types of charges. A one-size-fits-all approach to the CBC will simply not work. The critical question becomes how to make the necessary refinements to improve the parameters around one development product-type without harming another. This is also true from a geographical perspective. A municipality may need to have different CBCs (or area-specific CBCs) for different parts of its municipality, to reasonably reflect what could be a wide disparity within the municipality.

As illustrated in our submission, there are very favourable elements of the proposed Community Benefits Authority, such as the elimination of Section 37 contributions in exchange for increases and heights and density (which are negotiated for development that otherwise represents good planning and pays for its share of services through development charges), and the proposed imposition of a cap on parkland (to deal with issues regarding the reasonableness, fairness and consistency of parkland taken at the former alternate parkland rates). These two refinements are long-stated positions and recommendations of BILD, having been the product of many association studies, and we support the province's objective of increased transparency and predictability.

However, it is also clear that there are significant negative financial impacts arising from the CBC as reflected in the Bill 108 changes to the Planning Act and proposed regulation on medium and low density residential and non-residential development that need to be addressed and refined as the province moves forward with this initiative. BILD intends that the province consider the comments and recommendations below in their

entirety as a package, and to not apply the recommendations selectively. BILD believes these solutions will work when considered in a collective manner.

- ***Recognizing that a one-size-fits all approach should not be applied to the proposed CBC, BILD recommends that the province adopt the principle that different treatments for each different development types are necessary.***

## **CBC Strategy and By-law**

BILD and its members have in-depth experience with municipal development charges by-laws and their related background studies across all GTA Regions and municipalities. We spend extensive amounts of time and resources, often retaining legal counsel and economic review consultants to assist in our detailed analysis of background reports and inputs that make their way in to final studies and by-laws. BILD has also led several appeals before the Ontario Municipal Board (now LPAT) that resolved important methodological issues regarding the calculation of development charges. Throughout these experiences, it has become evident that more prudent fiscal management is needed for municipalities.

BILD has also learned that the methodology, restrictions and rules set out in the *Development Charges Act* and regulations provide some degree of predictability to calculations, and are critical to ensuring that development charges actually fund only services that are required as a result of new development – and not service level increases that benefit the entire community. The methodology, restrictions and rules also ensure that one type of development is not required to fund the share of services attributable to other types of development, or exemptions implemented at the discretion of the municipality.

The proposed CBC regime, without the same set of restrictions and rules, simply creates a significant degree of uncertainty for municipalities and developers regarding financial contributions to services – the opposite of one of the important provincial objectives in implementing CBCs. BILD submits there is no policy basis for having different sets of rules for calculating development charges and the CBC. We unfortunately cannot expect that municipalities will determine the capital costs of services to be funded by CBCs with the same degree of rigor and analysis currently used to calculate development charges.

BILD appreciated the amendments to the Bill 108 provisions of Sec. 37 that will allow CBC by-laws to be appealed to LPAT. While these appeal right and the proposed regulations that will require certain information to be included in a CBC strategy are useful, BILD does not believe they go far enough.

- ***BILD recommends the calculation of CBCs be required to be based on the same prescribed methodology, and other restrictions and rules, as they apply to the calculation of development charges, and that all of the required calculations must be detailed in the CBC strategy.***

## **Dispute Resolution**

BILD understands that by providing for disputes over land value to be determined by appraisals it intended to provide a more streamlined system for resolving those disputes. BILD is concerned the land value disputes are ultimately determined by an appraiser from a list of three chosen by the municipality. For certain developments the CBC will be a very substantial sum, and for some lands there could be very divergent views over land value (as appraisals involve many judgements and are not an exact science). Landowners should have the option of having the LPAT resolve disputes over land value, similar to the way the LPAT can hear disputes regarding parkland dedication and cash-in-lieu.

- ***BILD recommends that an appeal to LPAT be available to resolve disputes on the valuation of land.***

## **Transition**

In order to appropriately transition between the existing fiscal regime and the proposed regime, we believe that where existing agreements are already in place, as it relates to the list of eligible services, the Community Benefits Authority should not be applied.

- ***Regarding transition in general, BILD recommends that where existing agreements are in place, that the CBC should not apply.***

## **Development Charges – Eligible Services**

BILD does not see the policy rationale for certain soft services that were traditionally funded by the development charge to be moved to the CBC. The list of services that should be eligible to be funded through development charges, and not the CBC, should include:

- Child care
- Parking
- Shelters
- Provincial Offences Act
- General Government Studies

For context, these services listed above were never specifically identified as eligible in the *Development Charges Act*, as it was previously built around a list of ‘non-eligible’ services. BILD proposes to add items to the list of eligible services to be funded through development charges, as proposed by the province, in order to maintain certain municipal revenues. Again, the intention is for the province to consider this recommendation in conjunction with all others in this submission, particularly related to the specific forms of development that the CBC should and not be applicable to, as described later in this submission, so that they all work together as a collective.

We maintain our longstanding position that Public Realm/Civic Improvements, Affordable Housing and Long-Term Care are not eligible to be funded by development charges, as needs for these services is not attributed to development. Under the rules that apply to the calculation of a development charge, they can only be imposed to fund increased capital costs of increased services that arise from the needs of development occurring during the study period. There must be a nexus between the need for the service constructed during a study period and the development that occurs during the study period. No such nexus exists for these services and new development.

- ***BILD supports the recommendation of the province to add items to the list of eligible services to be funded through development charges, in order to maintain certain municipal revenues. This list would not include Public Realm/Civic Improvements, Affordable Housing and Long Term Care.***

## 10% Development Charges Discount on Soft Services

There is a willingness from the industry to remove the 10% development charge discount on soft services subject to the following parameters, and by doing so, allow municipalities to recoup 100% of the capital costs of soft service otherwise eligible to be funded by development charges. To be clear, this is not because the current discount did not have a clear and appropriate rationale. The purpose was to account for the benefit that new services and infrastructure delivers to “existing” residents, encourage municipalities to control the costs of new services and recognize the owners of development lands contribute to all of a municipalities’ capital costs through property taxes. However, BILD is prepared to recommend this change if the other recommendations in this submissions are adopted. We want to reiterate that this specific recommendation is not to be individually selected for incorporation without the balance of recommendations in this submission.

- ***BILD is not challenging the province’s direction to remove the 10% development charge discount on soft services and otherwise recommends that the province apply this discounted value through the other recommendations that are made in this submission.***

## Percentage Caps on Land Value

The proposed Community Benefits Authority suggest that a CBC levied by a municipality could not exceed the amount determined by applying an applicable proposed percentage to the land value that is subject to development. This idea of a cap is an appropriate element of the proposed CBC, and one that has been a long-standing BILD position.

A May 2019 study produced by Altus Group for BILD found that municipalities across the GTA have accumulated \$1.13 billion in unspent parkland reserve funds on the backs of parkland cash-in-lieu payments by homebuilders. These payments have increased by as much as 329 per cent since 2006 and are levied on new developments, and in turn, passed on to new home buyers. Parkland payments can add \$20,000 to \$30,000 or more to the cost of a new home.

This same study found that in municipalities without a cap on cash-in-lieu contributions, the amount of the contributions increase on a per unit basis as the density of a prospective development increases for high-density residential projects. In a “no cap” scenario, as the density of the building increases via smaller site sizes, or for smaller unit sizes in the same building envelope, the per unit cash-in-lieu contribution also increases. At a certain point, the value of the cash contribution begins to exceed the value of the land, resulting in higher per unit costs and results in a policy that discourages intensification and transit supportive densities throughout the GTA. BILD has always maintained that the implementation of a cap on cash-in-lieu contributions would result in a more equitable way to generate funding for parkland acquisition and other public recreational needs, and we are pleased to see this provincial direction in the proposed Community Benefits Authority.

With housing affordability being the number one issue across the GTA, BILD has always stated that it is imperative that governments be cognizant of the impact of their policies, fees and practices. We are very pleased that the provincial government has recognized that the practice of cash-in-lieu payments needed to be revisited, especially in light of all the other costs that get rolled into development charges.

In light of our above recommendation related to restoring a number of services back in to the development charges component, and recognizing the desire for increased densities and transit supportive communities, BILD maintains that the proposed percentage cap be a maximum of 10% of land value. Also, upper-tier municipalities do not require the provision of parks and should be removed from the eligibility for the CBC,

especially so given that any upper-tier DC services would, in our proposal, be added to the list of DC eligible services. For those single and lower-tier municipalities to which it applies, it must be mandatory that municipalities conduct a thorough park needs justification study.

- ***BILD recommends that the province limit the percentage cap to a maximum of 10% of land value, that it apply only to single and lower-tier municipalities, and should be based on a study that is appealable.***
- ***BILD recommends that park needs justification studies should be expressly required to assess whether parkland funded by the CBC would result in an increase in the average amount of parkland per resident within the municipality for parks of various categories (local, community or district).***
- ***BILD recommends that the rules pertaining to the calculation of the CBC should prohibit the CBC funding increases in parkland service levels or parkland that benefits existing development being funded by the CBC.***

## MID-RISE AND LOW-RISE DEVELOPMENT

BILD members have expressed a significant concern with the proposed Community Benefits Authority and the resulting calculated CBC charge. Table 1 estimates the impacts of the proposed CBC on low-rise dwelling units, and as illustrated, in some instances, depending on how much is passed through, new homeowners will be paying in excess of \$87,000 per unit when compared to the current regime of development charges and parkland dedication (or cash-in-lieu).

This is contrary to the intent of the province's Housing Supply Action Plan and will not achieve its objectives for increased housing supply, greater housing choice and affordability for Ontarians. BILD is certain that this was not the intended outcome when the province was contemplating the Community Benefit Authority.

BILD has been working closely with Malone Given Parsons, who have identified the use of 100 units per hectare as a measure to ensure that *"the missing middle"*, a priority for the industry and province alike, becomes more achievable. We are, therefore, proposing that the CBC apply only to new residential development with a net residential development density of 100 units per net hectare or greater. Developments below 100 units per net hectare would be subject to the *Planning Act* basic parkland dedication or cash-in-lieu rate provisions in sections 42 and 51.1 (i.e., 2% for industrial, commercial and institutional uses and 5% for all other uses including residential development).

We are also willing to discuss a similar rationale applied to gross density instead, in order to accommodate the challenges raised by mid-rise builders in higher growth centres. Or, in keeping with the City of Toronto's mid-rise definition as used in its 2010 'Mid-rise Building Performance Standards', BILD would also recommend that mid-rise developments of up to 11-storeys in higher-urbanized centres also be exempt from the CBC, and instead be subject to the base parkland dedication and cash-in-lieu requirements.



**Table 1:**  
**Estimated Impacts of Proposed CBC Regulations, Residential: Low Density**

	Low-Density		
	Dollars per Single-Detached Unit		
Municipality	Current DC & Parkland Value	Proposed DC & CBC	Change
Richmond Hill	\$ 124,394	\$ 211,477	\$ 87,083
Markham	\$ 138,314	\$ 226,017	\$ 87,703
Vaughan	\$ 149,633	\$ 219,403	\$ 69,770
Aurora	\$ 111,667	\$ 163,370	\$ 51,703
Oakville	\$ 114,170	\$ 183,011	\$ 68,841
Milton	\$ 84,782	\$ 126,192	\$ 41,410
Mississauga	\$ 127,006	\$ 195,911	\$ 68,905
Brampton	\$ 114,060	\$ 161,319	\$ 47,259
Caledon	\$ 106,208	\$ 153,142	\$ 46,934
Pickering	\$ 67,257	\$ 103,579	\$ 36,322
Clarington	\$ 65,287	\$ 94,417	\$ 29,130
Bradford West Gwillimbury	\$ 70,611	\$ 101,000	\$ 30,389
Barrie	\$ 83,660	\$ 114,570	\$ 30,910
Guelph	\$ 50,398	\$ 80,632	\$ 30,234

Source: Altus Group Economic Consulting

Many BILD members have presented their analysis of instances where the proposed CBC simply does not work for low and mid-rise developments, which would provide additional support for BILD’s recommendations. For example, in a typical low rise residential community, on average, various owners as part of landowner groups provide between 20 to 30% of their otherwise developable land to community uses such as storm water management ponds, collector road widths in excess of the local road width, schools, parks, and widening for arterial roads. These community uses are usually shared through a cost sharing agreement that is enforced by the municipality. If the CBC is implemented as currently proposed, the equivalent obligation for community uses would increase to 30 to 40% of the total developable land which seems extraordinary and only compounds the negative impact of the proposed CBC on low rise development.

- ***BILD recommends that the CBC apply only to new residential development with a net residential development density of over 100 residential units per hectare, with development at lower densities subject to the parkland dedication at the 5% rate.***
- ***In relation, BILD recommends that mid-rise developments classified as a maximum of 11-storeys in higher urbanized centres (in keeping with the City of Toronto’s Mid-rise definition in its Mid-rise Building Performance Standards) also be exempt from the CBC, and be subject to parkland dedication at the base rates in the Planning Act as amended by Bill 108.***

## Cost Sharing & Master Parkland Agreements

Many GTA municipalities take a comprehensive approach to the delivery of parkland, particularly through the secondary plan process. This often includes the use of Master Parkland Agreements, in accordance with approved Official Plan policies that incorporate *Planning Act* requirements for park dedication. Master Parkland Agreements facilitate the cost effective and orderly delivery of parks over the long-term development horizons for large planning areas. Many existing Master Parkland Agreements have been in operation for periods of up to 20 years and apply to communities with low, medium and high density housing forms. If not properly transitioned, the imposition of a community benefits charge structure for parkland could render Master Parkland Agreements inoperable and interrupt the long-planned delivery mechanism for parkland within the affected communities.

Master Parkland Agreements require participating landowners to assure that parkland dedication requirements of the municipality are satisfied over the development horizon of the planning area. Landowner groups assume responsibility for the accounting of individual owner's contribution obligations pursuant to Master Parkland Agreements. At any given time a landowner group may have over-contributed parkland, as compared to the amount of development that has then occurred. It would not be possible for landowner groups to satisfy their Master Parkland Agreement obligations by superimposing a financial contribution arrangement within a Community Benefits Authority regime as the two approaches are inconsistent and duplicate the costs to the owners while undermining the holistic and collaborative approach to parkland planning and dedication which is facilitated by Master Parkland Agreements.

On the basis of the foregoing, BILD recommends that a transition Regulation be included for Master Parkland Agreements that are entered into by municipalities before a municipality adopts a CBC by-law. The transition Regulation would apply to planning areas that are subject to Master Parkland Agreements and would provide that parkland contribution obligations are to be determined pursuant to the subject agreement. With respect to future Master Parkland Agreements, the above approach can also be implemented on an area-specific basis.

- ***BILD recommends that, for the purposes of a community benefit charge, a transition Regulation be included that provides for parkland contribution obligations to be determined in accordance with Master Parkland Agreements that are entered into before a CBC by-law is adopted.***
- ***BILD also recommends that the Regulation allow for future Master Parkland Agreements to be entered into by municipalities after a municipality adopts a CBC by-law, with appropriate credits/adjustments to the CBC payable within the applicable area, as determined with the municipality. This approach can also be implemented on an area-specific basis.***

## HIGH-RISE DEVELOPMENT

As previously mentioned, there are positive elements related to accountability, transparency and predictability that the province has moved towards in the proposed Community Benefits Authority and community benefits charge. Eliminating the use of Section 37 agreements, and the proposed imposition of a cap on parkland are two very positive refinements that reflect these objectives.

Specifically, with respect to high-rise development, in municipalities where there is an existing cap on parkland, we have heard that the current proposal will cost more to new homeowners than existing

development fees and charges regime, but that an attempt to solve this would involve a re-examination of the proposed valuation of land value and timing of payment.

## Land Values & Timing of Payment

It is our understanding that the CBC is proposed to be paid and collected at the time of building permit issuance. We also understand that the payment will be based on the development project's land value at that same time. The timing of the assessed land value is a significant concern for BILD's high-rise members.

We believe that land values should not be established just prior to building permit issuance because this is too late in the development life cycle. Establishing rates at this stage means that pre-construction homes that have already sold will now be surprised by a cost that was undetermined at the time of their sale. The valuation for the CBC this late in the process threatens business certainty, posing a financial burden on the end consumer or a significant risk on their ability to close. Additional costs will have to be added after the necessary business adjustments are made. The province's stated objectives of housing affordability and predictability for the consumer will be undermined.

Developers will be forced to adjust prices upwards to be conservative which will affect affordability. In order to understand the additional costs, some may wait to go to market on projects delaying the supply of units to market – again affecting affordability.

- ***As related to high-rise projects, BILD recommends that the value of the CBC be determined well before a project goes to market for sale. Ideally, this would be pushed forward to the Municipal Comprehensive Review or Official Plan stage of development (where minimum density targets are established). For site-specific development sites and where master plan communities are intended, land values could be determined at the time of a re-zoning application or site plan application stage.***

Our current development regime needs a fundamental shift in the way municipalities establish development related costs. Current methods are too reactive to development activity. Being proactive in assessing municipal land needs means that current and future residents benefit (i.e. don't pay more) from master planning and, where appropriate, early acquisitions of land for parks and schools. This will result in a greater amount of certainty for future homeowners as well.

## NON-RESIDENTIAL DEVELOPMENT

Regarding non-residential development – commercial, retail and industrial – BILD members have expressed significant concern that the current proposal will cost more to new businesses and retailers than the existing development fees and charges regime.

Table 2 estimates the impacts of the proposed CBC on non-residential uses, and as illustrated, there are instances in the suburban parts of the GTA where the new regime will result in over \$1,000,000 in additional costs for office developments. In Toronto, for a typical new premier office building in the Downtown, the additional costs could amount to over \$19,000,000, which is clearly not the intention of the province for the Community Benefits Authority.

**Table 2:**

**Estimated Impacts of Proposed CBC Regulations, Non-Residential**

Office				Assumptions		Additional Costs
Dollars per Square Foot				Gross Floor Area (sf)	Land Area (ha)	
Municipality	Current DC & Parkland Value	Proposed DC & CBC	Change (\$/SF)			
Toronto	\$ 3.91	\$ 23.41	\$ 19.50	1,000,000	0.33	\$ 19,500,000
Markham	\$ 34.48	\$ 38.20	\$ 3.72	365,000	4.40	\$ 1,356,777
Mississauga	\$ 33.07	\$ 38.02	\$ 4.95	365,000	4.40	\$ 1,808,099
Oakville	\$ 20.85	\$ 24.79	\$ 3.94	365,000	4.40	\$ 1,437,043

Industrial				Assumptions		Additional Costs
Dollars per Square Foot				Gross Floor Area (sf)	Land Area (ha)	
Municipality	Current DC & Parkland Value	Proposed DC & CBC	Change			
Milton	\$ 16.89	\$ 20.12	\$ 3.23	750,000	18.50	\$ 2,424,875
Brampton	\$ 20.67	\$ 26.75	\$ 6.08	750,000	18.50	\$ 4,562,409
Pickering	\$ 13.99	\$ 15.51	\$ 1.52	750,000	18.50	\$ 1,139,493

Note #1: All charges shown include upper-tier and lower-tier DCs and CBCs  
 Note #2: Land values taken from sample of recent land transactions (Altus Data Solutions data)  
 Source: Altus Group Economic Consulting

The proposed CBC Regulation should be modified to exempt non-residential uses. In the ever-shrinking market for non-residential users, any way of reducing costs is strongly encouraged. A CBC regime should not be punitive to a sector that provides such significant contributions to the economy.

While the proposed Regulations, as currently drafted, are silent on the CBC as it relates to renovation work, in the interest of clarity, BILD recommends that the final CBC Regulations state that it should not apply to renovation projects or adaptive re-use projects. These are projects that may have legal non-conforming uses on site and/or propose a conversion of a similar use, do not substantially change the building footprint, and are in keeping with land use pattern for the area. These types of projects do not derive an additional need for service beyond what is currently provided.

- ***BILD recommends that for non-residential developments, that this sector be subject to a community benefits charge of 2% of land value, consistent with the current parkland dedication/cash-in-lieu system at per the Planning Act rates as amended by Bill 108.***
- ***Adaptive-reuse development or renovation projects should be explicitly exempt from the CBC.***

**CONCLUDING REMARKS**

BILD and its members appreciate the opportunity to provide input into the process for creating a Community Benefits Authority. We value the dialogue that we have had with provincial officials on this topic, and look forward to continued conversations after the formal consultation period comes to a close.



Please rely on our members and the experts that help provide our analysis, as they are the closest to municipal implementation of any provincial policy. We are therefore committed to working with you so that we can collectively get it right for the benefit of future homeowners and residents of this province.

BILD members share the mutual goal of increasing job creation and housing supply while reducing costs for homebuyers and employment providers. It is imperative that we collectively arrive at a regime that will not be punitive for any sector of the home building and land development industry, and that we arrive at one that will be in line with the stated objectives of the province's Housing Supply Action Plan – to address the current housing supply crisis, unlock the development of all types of housing, to give Ontarians more choice and to help bring costs down.

Upon your review of this submission, we would welcome the opportunity to answer any questions or provide any clarification that you may have. Please feel free to contact me at [dwilkes@bildgta.ca](mailto:dwilkes@bildgta.ca) or Paula Tenuta at [ptenuta@bildgta.ca](mailto:ptenuta@bildgta.ca).

Thank you again for recognizing BILD's role in this important initiative.



Dave Wilkes  
President & CEO

cc. Mr. Alex Beduz, Chief of Staff to the Minister of Municipal Affairs and Housing