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December 7, 2022

Ministry of Municipal Affairs and Housing
Office of the Minister
777 Bay Street, 17th Floor
Toronto ON M7A 2J3

The Honourable Steve Clark
Minister of Municipal Affairs and Housing
steve.clark@pc.ola.org

Re: Bill 23, More Homes Built Faster Act, 2022		
ERO Title	Proposed Planning Act and Development Charges Act Changes: Providing Greater Cost Certainty for Municipal Development-related Charges	
ERO Number:	019-6172	
Commenting Period:	October 25, 2022 – November 24, 2022 (30 days) Extended to December 9, 2022	
Bill 23 Schedule(s)	3 (Development Charges Act, 1997) and 9 (Planning Act)	

This letter constitutes the submission from the Corporation of the Town of East Gwillimbury's (the "Town") in response to ERO No. 019-6172 respecting proposed changes to the *Development Charges Act, 1997* and the *Planning Act* under Bill 23, More Homes Built Faster Act, 2022 (the "Act"), which Act received Royal Assent on November 28, 2022 and is now in force. The Act will have a significant adverse impact to the Town financially.¹ The Town projects a reduction in the Town's revenue from development charges during the next 10-year period of between \$40 to \$70 million. To put this in perspective, a reduction of this amount represents a 30%-40% reduction of the Town's forecasted revenues over this period. Moreover, the Town projects that its property taxes would need to more than double its current level to recover this revenue shortfall.

The Town, as Canada's fastest growing municipality², is one of 9 local municipalities in the Regional Municipality of York, in the Greater Toronto Area region. While the Town supports the aim of the Act to redress the current lack of affordable residential housing to meet forecasted demand, the Town submits that the Act will de-incentivize residential housing development in the Town. Under the Act's proposed measure of average home sales price to assess whether the development is "affordable", the Town forecast, which is alarming, suggests that up to 50% of new housing development in East Gwillimbury could be exempt from paying development charges³.

The Town has considered the Act's financial impact on the funding of a community/aquatics centre, known as the Health and Active Living Plaza ("HALP"), the Town's largest capital project in its history. Town Council's decision in September 2022 to award the contract to construct the HALP was based upon certain assumptions

¹ The Association of Municipalities of Ontario (AMO) has calculated the loss of revenue to Ontario municipalities, in aggregate, over a ten-year period, from Bill 23, of \$5 Billion.

² 2021 Census Canada

³ 80% of the stated average purchase price of a home in the Regional Municipality of York, exceeds the average purchase price for new homes in the Town of East Gwillimbury

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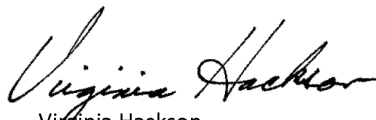
respecting the revenue sources to fund the project. The retroactive application of the five-year phase-in requirement to development charge by-laws that have been passed after January 1, 2022, is forecasted to result in a funding shortfall regarding HALP of approximately \$11 million.

It is important to note that the *Development Charges Act, 1997* was to enable municipalities to collect development charges to pay for critical infrastructure such as roads, water and sewers that are needed to meet mandated-growth targets. If the Provincial targets for growth in the Greater Toronto Area are to be achievable the infrastructure needed to support such growth will need to be funded. The significant loss of development charge revenue forecasted by the Town may have the unintended consequence of reducing infrastructure projects needed to address future growth in the Town.

Although this submission has focused on the Town's concerns respecting the Act's development charge related impacts, the Town is also concerned about preserving the Town's heritage, greenspaces, and natural environment when there are provisions in the Act that will significantly erode same. The Town reiterates its support for the provision of affordable housing so long as development occurs in a sustainable manner that respects the natural environment.

The Town respectfully requests that the Ontario Government repeal immediately all provisions in the Act pertaining to development charges. The Town requests that, in furtherance of the Province's commitment to the principle of ongoing consultation with municipalities as set out in Section 3(1) of the Municipal Act, 2001, the Province meet with the Town to develop strategies that address the intended goal of creating housing supply that will meet the forecasted demand.

Sincerely,



Virginia Hackson
Mayor



Thomas Webster
Chief Administrative Officer

c. The Honourable Caroline Mulroney, MPP, York-Simcoe
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