



Office of the Warden

November X, 2022

Laurie Scott, MPP
Chair, Standing Committee on Heritage, Infrastructure and Cultural Policy
c/o Isaiah Thorning, Clerk
Whitney Block, Room 1405
99 Wellesley Street W
Toronto, Ontario M7A 1A2

Dear Chair Scott,

Thank you for the opportunity to comment on Bill 23, the *More Homes Built Faster Act, 2022*.

Northumberland County supports taking ambitious action to increase the supply of housing for Ontarians and specifically to address the affordable housing crisis in Ontario. These are the central policy goals of Bill 23. As a municipality that has been actively involved in the provision and development of affordable rental housing, we recognize the need to ensure that new housing can be built quickly and to reduce costs in the development process. Northumberland County recommends that the specific definitions of affordable housing, attainable housing, and non-profit housing providers be defined during the regulation drafting stage to allow for further consultation and to ensure these terms reflect the intent of Bill 23 in supporting affordable housing generation.

It is our submission that the proposed change to subsection 2(4) of the *Development Charges Act, 1997* to remove "Housing Services" from the list of services that can be funded through development charges will not support the goals of the Bill, and will in fact have a negative impact on the ability to deliver new affordable housing in Northumberland County and elsewhere in Ontario. We hope that this submission will demonstrate the very real costs and impacts to the County's current housing developments as well as future plans, which may need to be scaled back or even cancelled as a result of the proposed changes.

About Northumberland County:

Northumberland County is an upper-tier level municipality, situated on the north shore of Lake Ontario east of Toronto in Central Ontario. Northumberland County Council is comprised of the mayors of its seven local municipalities: the Town of Cobourg, the Municipality of Port Hope, the Municipality of Brighton, the Municipality of Trent Hills, the Township of Hamilton, the Township of Alnwick/Haldimand, and the Township of Cramahe.

Northumberland County Development Charges for Housing Services:

Northumberland County introduced its first development charge in 2020 to support the County's growth related capital projects, including the provision of Housing Services. The Housing Services component of

the County's total Development Charge is approximately \$2,489,589.00 of which nearly 95% (\$2,362,089.00) directly supports the capital costs of the County's ongoing housing redevelopment projects detailed below. The remaining 5% (\$127,500.00) supports housing related studies including our affordable housing strategy, housing master plan, and housing & homelessness plan.

On a per-unit basis the community housing services portion of the County's Development Charge for a single-family home amounts to a cost of just \$739.

Current Development Charge Funded Housing Projects:

Northumberland County is leading a local response to build housing, which is predicated on the ability to pay for developments that are underway, as well as future development. Northumberland County, through the municipal housing corporation, Northumberland County Housing Corporation, is a lead developer of affordable and attainable rental housing in Northumberland. In addition to this role, Northumberland County has also implemented incentive programs to support the creation of affordable rental housing by the non-profit and for-profit housing sectors.

Currently two housing redevelopment projects are being funded in part by the County's Development Charge. These projects are being delivered with support from the Provincial and Federal Governments and the Canada Mortgage and Housing Corporation, as well as our community partners which include Habitat for Humanity Northumberland, Ontario Aboriginal Housing Services, and Northumberland County Housing Corporation.

The Elgin Park Redevelopment in Cobourg was announced in March 2019 and will replace an existing 18 older subsidized rental units with 40 new rental units including 12 market rental units and 28 subsidized rental units. Construction of Phase 1 (20 units) began in January 2022 and is expected to be completed in late 2023, with Phase 2 (20 units) beginning immediately following completion of Phase 1.

The Ontario Street Housing Development will see the County and its community partners develop 62 new affordable housing units with a mixture of tenure and affordability types including units geared to Indigenous households, rent-geared-to-income (RGI) units, affordable and attainable market rental units and equity partnership households that offer a path to home ownership. The County purchased the land for this project in 2019 and has a memorandum of understanding with its community partners, with construction anticipated to start in 2024.

Impact of the Proposed Changes:

The proposed amendment to subsection 2(4) of the *Development Charges Act, 1997* would result in the immediate removal of the housing services portion of the Northumberland County Development Charge and result in funding gap of nearly \$2 million for the above noted projects. This would require a revision to the funding model for these projects, which are already tight and heavily supported by subsidies. Options to make up for this funding gap could include reducing the number of affordable units or the total number of units, or even cancelling the projects entirely.

Beyond the impact on current projects, the proposed change could negatively impact what might otherwise be a repeatable model for the delivery of affordable housing products by municipalities in Ontario. It is our experience that municipalities are uniquely positioned to deliver these types of housing

products particularly in more rural communities outside of major population centres and these types of projects are unlikely to be picked up by private sector developers. These changes will therefore result in less housing overall, and the reduction of affordable rental housing stock more specifically. The County is actively looking for new development opportunities including several projects for which active negotiations are occurring.

Without the planned revenue from the development charge, the County estimates that over 250 new affordable housing units may be at risk over the next 2-7 years.

Conclusion and Recommendation:

On a per-unit basis that impact of Housing Services development charges on private development is a modest one that will not significantly impact the affordability of housing. However, in the aggregate the impact to municipalities like Northumberland County will produce a significant financial impact that will threaten the ability to deliver the most crucial housing units to address issues of homelessness and affordability. This proposed change runs counter to the goals of Bill 23, and to the broader goals of the Government through its housing supply action plan.

The County of Northumberland requests that the Standing Committee on Heritage, Infrastructure and Cultural Policy consider amending Bill 23 by deleting the proposed subsection 2(2) of Schedule 3 in its entirety. This change would have the effect of maintaining “Housing Services” in the list of services for which a development charge may be imposed to pay for increased capital costs due to increased needs.

Northumberland County further recommends that the specific definitions of affordable housing, attainable housing, and non-profit housing providers be reconsidered to ensure municipal development corporations will meet these definitions or that these definitions be prescribed by regulation. Allowing definitions to be prescribed by regulation would permit greater flexibility and allow further consultation to ensure these terms reflect the intent of Bill 23 in supporting affordable housing generation.

The County thanks the committee for its consideration of this submission.

Yours Truly,

Robert ‘Bob’ Crate, Warden of Northumberland County

cc: The Honourable Steve Clark, MPP, Minister of Municipal Affairs and Housing
The Honourable David Piccini, MPP, Minister of the Environment, Conservation and Parks and
MPP for Northumberland – Peterborough South
Jennifer Moore, Northumberland County CAO
Council for the Town of Cobourg
Council for the Municipality of Port Hope
Council for the Municipality of Brighton
Council for the Municipality of Trent Hills
Council for the Township of Hamilton
Council for the Township of Alnwick/Haldimand
Council for the Township of Cramahe