

April 18, 2024

Mayor and Members of Council
Municipality of Clarington
40 Temperance Street
Bowmanville, ON
L1C 3A6

Attention: Mayor Foster and Members of Council

RE: The Perfect Storm - Impact of Provincial Changes on our Community
Report CAO-002-24
Municipality of Clarington
TBG Project Number 24153

On behalf of the Durham Region Home Builders' Association ("DRHBA"), The Biglieri Group Ltd. ("TBG") is submitting the following comments with respect to Report CAO-002-24 - The Perfect Storm - Impact of Provincial Changes on our Community ("Report"). The Report was presented and discussed at the Municipality of Clarington General Government Committee ("GCC") on April 8, 2024. As the Report was a late addition to the agenda, TBG nor members of DRHBA had an opportunity to review the Report or speak to it at the GCC meeting.

REPORT CAO-002-24 OVERVIEW

The Report discusses anticipated funding for meeting pledged housing targets from the Province's Building Faster Fund that would have allocated financial resources to fund infrastructure and parks needs in Clarington. While funding was expected, it was not granted due to a discrepancy between the Municipality and CMHC in what constitutes a "start" for the construction of new housing.

The Report also speaks to a number of items stemming from Provincial legislation that ultimately reduces the amount of parkland dedication the Municipality will receive and the ability to provide community parkland to residents. In particular, the Report identifies forty-six (46) hectares of parkland that was anticipated within the Municipality's Secondary Plans and the potential shortfall as a result of reduced parkland dedication requirements within Bill 23. The Report states a potential loss of twenty-three (23) hectares of parkland identified within Secondary Plan areas.

Lastly, the Report speaks to the need to complete new Fiscal Impact Analyses ("FIA") for the various Secondary Plans, including four (4) that have already received final approval from Durham Region and have active development applications. Completing new FIAs may result in changes to the Secondary Plans and will impact the timing of approving pending Secondary Plans and site-specific development applications. These delays will further affect the Municipality's ability to meet pledged housing targets.

CONSULTATION

This Report was added to the agenda shortly before the GCC meeting started. Given the implications on the development approvals process and getting shovels in the ground for urgently needed housing, DRHBA finds the implications of the Report and how it was presented to GCC to be a slight to the industry. DRHBA, and the development community as a whole, are partners with the Municipality in building new and established communities. Advance notice of the Report, or even including it when the GCC agenda was originally posted, would have allowed members to review the Report, talk to staff, and/or speak at the meeting.

HOUSING TARGETS

The Municipality of Clarington made a pledge to the Province of Ontario to deal with the housing crisis by building 13,000 residential units by 2031. The Province provided a target for the Municipality to start 953 new units for the year 2023. It was believed that the target was met, however, due to a discrepancy in how a housing “start” is defined, Clarington did not reach the target for 2023. Upon review of the Report and the apparent discrepancy, we encourage the Municipality to resolve this issue with the Province. In TBG’s review, it would appear that the target was met, and that the Municipality should be eligible for the funding. The DRHBA would be happy to be involved with and assist in these discussions.

PARKLAND

Parkland is dedicated to the Municipality at rates prescribed by the Municipality’s Parkland Dedication By-law and The Planning Act. Parkland is provided as either land dedication or Payment in Lieu (“PIL”). The Municipality’s Parkland Dedication By-law requires that land or PIL is provided at the greater of either the standard rate of 2% for commercial or industrial developable land / 5% for residential and all other lands, or at the alternative rate as provided for in The Planning Act, which is currently a rate of 1 hectare for 600 residential units as land or 1 hectare for 1,000 residential units as PIL. The Planning Act also has a cap on the amount of parkland dedication should the alternative rate be used, which is 10% of the land or PIL for development lands that are five (5) hectares or less, and 15% for development lands that are greater than five (5) hectares.

The Report indicates that the amount of Parkland (or PIL) the Municipality will receive will be reduced by 50% as a result of the legislative changes. This assumes that all parkland dedication will be based on the alternative rate. This is typically the case for medium and high density developments where the alternative rate may be higher. However, low density developments may offer parkland at the standard rate of 5%. The majority of the new secondary plans are greenfield where parkland will be provided at the standard rate through low density developments. As the rate would be determined through processing of individual development applications, strictly using the alternative rates in the Report paints a picture that is not reflective of the true amount of parkland (or PIL) that will be dedicated to the Municipality.

The Report identifies forty-six (46) hectares of parkland within Secondary Plan areas, which is taken from the March 2024 Phase 1: Background and Existing Conditions Summary Report prepared for the Municipality’s Parks, Recreation, and Culture Master Plan (“Parks Background Report”). The Parks Background Report also notes that the timing and development of parks

within Secondary Plan Areas is not defined and may not take place during the planning period examined (between 2021 to 2036). Further, the Parks Background Report also notes that parkland requirements per The Planning Act may further change, and that the amount of future parkland within some of the ongoing Secondary Plan studies may increase, subject to negotiations.

While the Report notes a loss of twenty-three (23) hectares of parkland, ultimately, the amount of parkland dedication required will be determined during the site-specific development approval process based on the rates legislated at that time. Simply cutting the amount of parkland in half is not an accurate assessment. We challenge this statement in the report and suggest Clarington's consultant clarify this statement.

There are also other opportunities to ensure parkland provisions support the needs of the Municipality through the Parkland Dedication By-law and Official Plan (currently subject to a comprehensive review). Allowance for stratified parks as of right (i.e., parkland above structured underground stormwater management facilities) can provide additional parkland and open space needs for residents.

Table 1 of the Report assesses the potential loss in revenue to the Municipality for parkland PIL as a result of Bill 23 and the lesser payment (1 hectare for 1,000 units) and cap of 10% or 15%. Upon review of the calculated revenue, it is unclear whether the calculations are accurate as the land area and land value for each of the examples are not provided.

Based on the "Rate Prior to Bill 23" of \$344,000 PIL for Example A, we have determined that the site is 1 hectare in size with a land value of \$4,000,000/ha. The PIL Post Bill 23 would therefore be \$172,000 as the new Alternative rate results in a 50% reduction. The Report states this revenue at \$192,000 which does not appear to be an accurate calculation. Further, the Report references a valuation of land in Clarington at \$5,000.000/ha, which is inconsistent with the calculated valuation used for Table 1.

As such, the potential revenues for each example presented in Table 1 cannot be verified. Further, Table 1 does not use a low density example where the parkland requirements would not change.

SECONDARY PLAN APPROVALS

Since 2017 the Municipality initiated a program to prepare twelve (12) new and updated Secondary Plans, of which only four (4) have been completed and approved. There have been significant delays in getting the remaining Secondary Plans approved and processing site-specific development applications within these lands. The Report notes that Fiscal Impact Analyses were conducted for each Secondary Plan and provided through the community consultation process. It is also noted that these Fiscal Impact Analyses may need to be updated. Conducting these updates will take significant time and financial commitments resulting in additional delays in approving Secondary Plans and site-specific development applications. Further delays to the outstanding Secondary Plan approvals – and site-specific development applications within approved Secondary Plans – will jeopardize the ability to move forward with development applications and ultimately the construction of new housing. These construction delays will certainly guarantee the Municipality will miss future housing targets and associated provincial funding.

CONCLUSION

Updating Fiscal Impact Analyses will not change provincial legislation. While updates may provide a better understanding of the impacts stemming from the new legislation, they will not get 'shovels in the ground' – which is ultimately contrary to the point of the legislation itself. Further, in the current environment it is not practical, nor efficient use of public funds, to update such high level analyses every time legislation changes – as the rate of legislative change in recent years has been significant. Legislation could well change again in the coming months, producing different parkland dedication requirements or payments through Development Charges – recent introduction of Bill 185 as evidence. As such, updating the Fiscal Impact Analyses, or preparing any other study that delays Secondary Plans approvals and processing of site-specific development applications, is unwarranted. It will only add additional costs associated with these delays. Further, these Fiscal Impact Analyses may be duplicating the work that is being currently being conducted as part of the Municipality's Parks, Recreation, and Culture Master Plan. That process is the appropriate vehicle to examine the impacts of Bill 23 (and other pieces of legislation) on municipal parkland dedication matters. The land use permissions and height and density provisions in the Secondary Plans should remain in force and continue to guide development approvals.

The timing to approve Secondary Plans has been substantial since the program was initiated. The Fiscal Impact Analyses are not necessary and will only cause further delays. The Municipality needs to move forward with approving the outstanding Secondary Plans and continue to process site-specific development applications. We request Council not adopt Recommendation #3.

Should you have any questions or require additional information, please contact the undersigned at your earliest convenience.

Respectfully,
THE BIGLIERI GROUP LTD.



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Managing Partner



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cc. Durham Region Home Builders' Association