

Shift Happens

Deputation for York Region Council from Marco Filice

Re

***Government Imposed Charges and the Impact on Home Costs and Affordability /
Attainability And Prosperity in the Province of Ontario;***

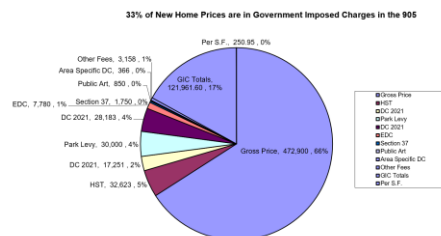
***Suggested Solutions to Moderate the Near Term Impact of Rising DCs and
Equitability Among the Industry***

•The Places to Grow Product Pays the Most in GIC's versus affordability price



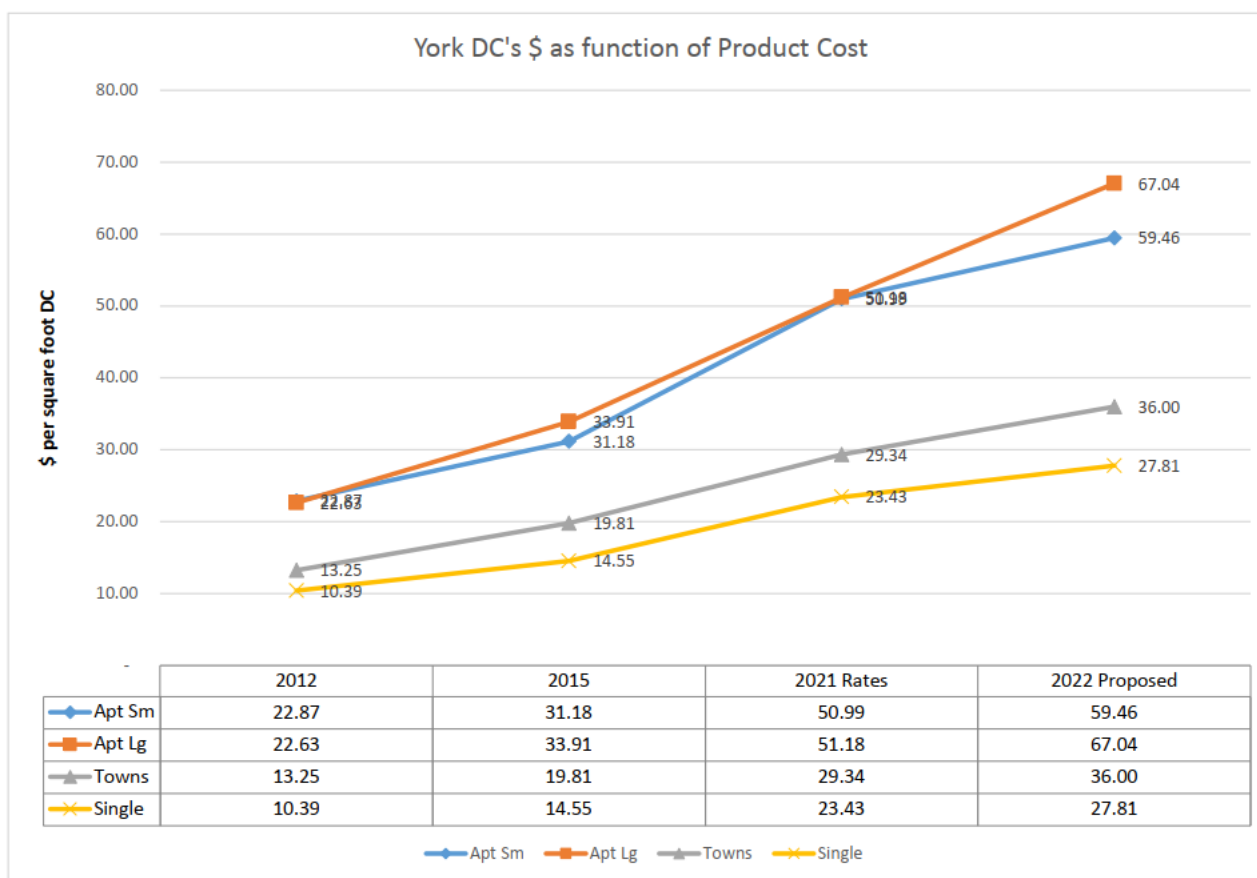
1. 905 Places to Grow Apts. Pay over \$0.33 for every \$1.00 of purchase price in Government Imposed Charges;
2. Apts. Pay over 7% of Purchase Price in DC's alone;
3. Apts. Pay over \$250 per square foot in government imposed charges on building of a new apartment;
4. Net result is an inequitable '**tax on tax**' uptick to recipient assessors that should be placed back into the system where they were generated.
5. If the Region wants to include Other Products As Apartments, the Region should move to a FULL PER SQUARE FOOT RATE... This is the ONLY equitable solution for all product types, instead of moderating definitions to fit a square peg in a round hole.
6. If York is a 'Wholesale' supplier to Locals, why is the Apartment Rate up over 40% and the PPU increased which creates 'drag' on other cost measures such as parkland requirements and capital costs.

***If a new home costs \$472,900, over 33%, or
Over \$156,057 of that is 'government imposed charges'***

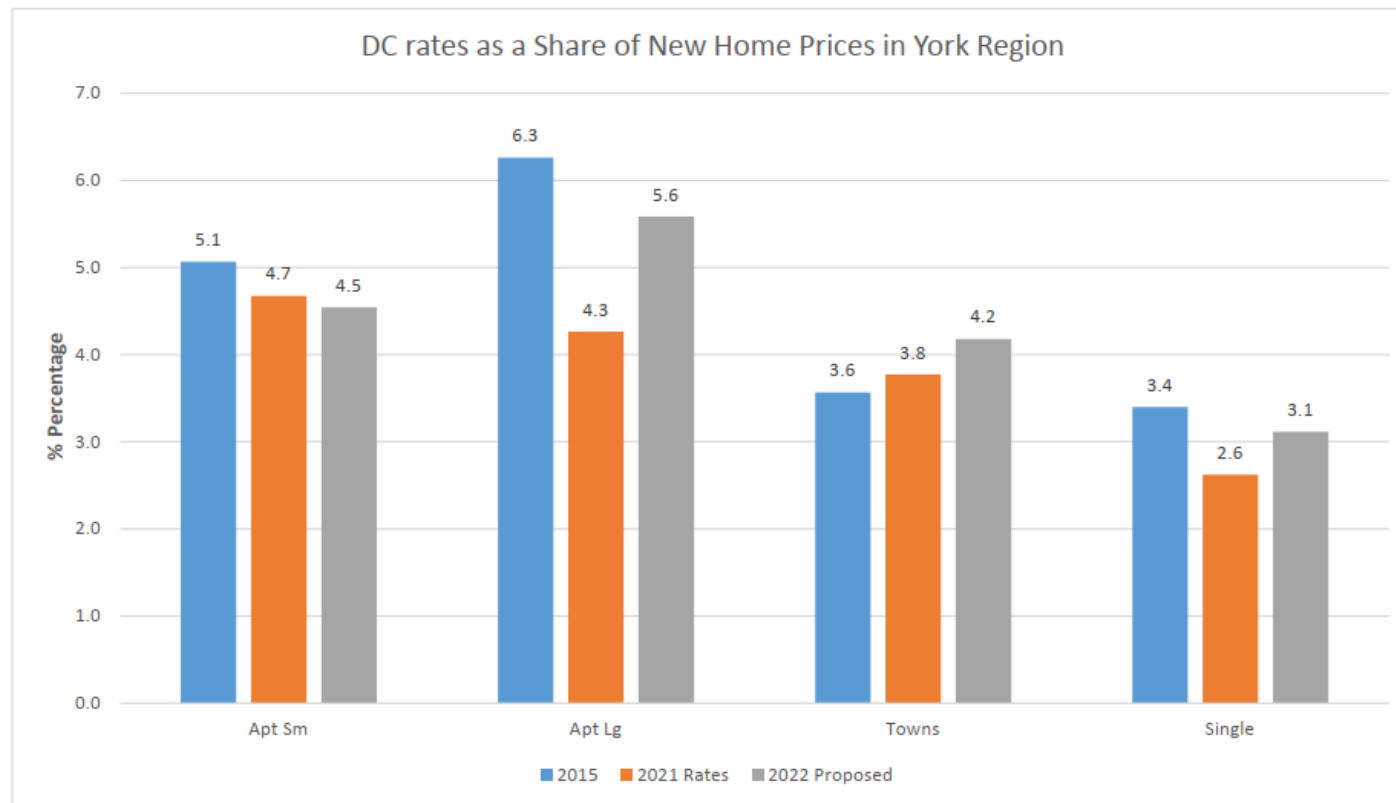


See also other information from CHMC and Altus available by request

York DC's as a function of Product Cost



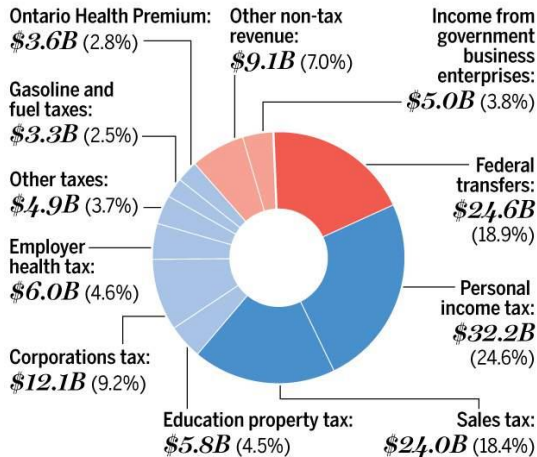
York DC's as Share of New Home Price



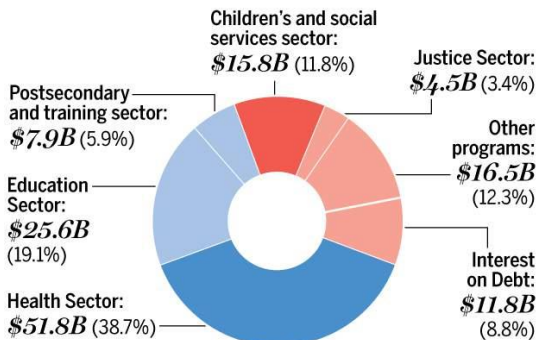
•Ontario Budget – Not an Income Problem, but a Distribution Challenge

GOVERNMENT REVENUES AND EXPENSES 2016-17

Total Revenue: \$130.6 billion



Total Expenses: \$133.9 billion



Note: Excludes Teachers' Pension Plan. Teachers' Pension Plan expense is included in other programs. Numbers may not add due to rounding.

SOURCE: 2016 ONTARIO BUDGET

NATIONAL POST

How to Balance Distribution Spending; Use Existing Legislation & Early Intervention to Increase the Revenue Trees and Fruit at all 3 levels of Government

Provincial budget expenditure on R&D and new home infrastructure provision suffers from constriction by three main baskets of expenditures >89%:

Healthcare – 40%

Education / Social / Justice – 40%

Debt – 9%

This leaves only 11% for 'everything else' that has to be invested to 'run' the province and create prosperity and generate new homes and R&D.

In order to 'increase' expenditure capacity:

1. Tool A - the tax base has to increase (raise taxes/direct/indirect) (not preferred); or;

2. Tool B - use existing Legislation and Tools to 'supersize' the cash flow per acre. This Tool B is 'free' and does not create a drag on the consumer (preferred).

Cash flow per acre related to expenditures per acre can be increased to provide increased budget capacity without raising taxes by ensuring more trees can provide more fruit on the same lands.

Early intervention of existing planning tools is the key.

***Implement s.42(6.2/6.3) in Local OP's

© 2022 M. Filice re May 26, 2022 – DRAFT York Region Deputation re DCs

What 'Home Product' provides > ROI ?

- Apartments produce Annual Operating **Surplus** of \$271 per Apartment; non-apartment residential products cost the city -\$89 per Semi (A-4; Watson 4/8/2008; Finance Ctte. York Region).
- Watson report states that Region should **reduce** DC's for product that generate savings in capital/operating (not increase it)
- Region report never updated since 2008

You have the mandate and the power...Just use it... Do not Pass the Lower Tier OP Unless they have this in their OP ...

SECTION 42 – PLANNING ACT, R.S.O. 1990, c. P.13

Redevelopment, reduction of payment

(6.2) If land in a local municipality is proposed for redevelopment, a part of the land meets sustainability criteria set out in the official plan and the conditions set out in subsection (6.3) are met, the council shall reduce the amount of any payment required under subsection (6) or (6.0.1) by the value of that part. 2006, c. 23, s. 17 (1); 2015, c. 26, s. 28 (6).

Same

(6.3) The conditions mentioned in subsection (6.2) are:

- 1. The official plan contains policies relating to the reduction of payments required under subsection (6) or (6.0.1).*
- 2. No land is available to be conveyed for park or other public recreational purposes under this section. 2006, c. 23, s. 17 (1); 2015, c. 26, s. 28 (7).*

Further direction is provided by the Province to establish development standards in order to minimize the cost of housing, through the Provincial Policy Statement (2020) in s.1.4.3(f):

*Planning authorities shall provide for an appropriate range and mix of housing options and densities to meet projected market-based and affordable housing needs of current and future residents of the regional market area by...establishing development standards for residential intensification, redevelopment and new residential development which **minimize the cost of housing** [emphasis added] and facilitate compact form, while maintaining appropriate levels of public health and safety (emphasis added).*

Excerpt from M. Filice letter to York Region May 19, 2022, re item F.2.1 with the Clerk

Building Blocks for Sustainable Planning - 9 in a Series of 12

REDUCTION IN PARKLAND DEDICATION PAYMENTS (s. 42 (6.2) and (6.3))

For More Information

Ministry of Municipal Affairs and Housing Website:
ontario.ca/mah
ontario.ca/e-laws
or contact your nearest Municipal Services Office (MSO):

Central MSO
777 Bay Street, 2nd Floor
Toronto ON M5G 2E5
General Inquiry:
416-585-6226
Toll Free: 800-668-0230

Eastern MSO
8 Estate Lane, Rockwood House
Kingston ON K7M 9A8
General Inquiry:
613-545-2100
Toll Free: 800-267-9438

Northeastern MSO
159 Cedar Street, Suite 401
Sudbury ON P3E 6A5
General Inquiry:
705-564-0120
Toll Free: 800-461-1193

Northwestern MSO
435 James Street South, Suite 223
Thunder Bay ON P7E 6S7
General Inquiry:
807-475-1651
Toll Free: 800-465-5027

Western MSO
659 Exeter Road, 2nd Floor
London ON N6E 1L3
General Inquiry:
519-873-4020
Toll Free: 800-265-4736

DISCLAIMER

This sheet deals in summarized and conceptualized fashion with complex matters that reflect legislation, policies and practices that are subject to change. All illustrations represent hypothetical scenarios of the application of various tools. For these reasons, this fact sheet should not be relied upon as a substitute for the relevant legislation, regulations and policy documents, or for specialized legal or professional advice when making land-use planning decisions.



Description of Tool

- Municipalities can authorize a reduction in the amount of cash-in-lieu of parkland payment if sustainability features are included in redevelopment proposals
- Optional tool, requires official plan (OP) policies
- Only applies where on-site parkland cannot be dedicated in redevelopment proposals

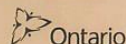
Implementation

- Municipalities must adopt OP policies and by-laws for the conveyance of land for park purposes and for cash-in-lieu payments
- Additional OP policies and by-laws are required to permit the reduction of cash-in-lieu payments for specified sustainability criteria, including:
 - Where this can be applied
 - Sustainable elements that will be credited
 - Exact cash value equivalent for each sustainable design element

Benefits

- May be a financial incentive to improve the sustainability of a redevelopment proposal
- Can support water conservation, air quality improvements and management of stormwater runoff
- Can promote energy conservation and efficiency of a redevelopment proposal

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Opportunity Statement: Affordability can be improved if cities use existing Planning Act Tools such as s.42(6.2/6.3).

Solution 1: Cities can reduce parkland drag on new home prices under section 42 (6.2/6.3) of the Planning Act where sustainability provisions are met. However, which city in Ontario utilizes this permission to help reduce home owner costs?

This Provision of the existing Planning Act can be used by the MMAH in approving (or not approving) Region or City OP's and help ensure such s.43(6.2/6.3) provisions are included in local OP's to keep home prices down.

Home costs can be 'reduced' if these Tools are implemented at the Local Level with Support of Implementation by the Approving Authority (MMAH).



Opportunity Statement: Cities can improve early acquisition or arrangement of parkland (at the OP stage) to avoid affordability crisis and improve the cost metrics by NOT passing Local OP's unless s.42(6.2/6.3) is adopted with consultation with our industry.

Solution: York Region should not pass the Local OP unless it includes effective provisions of s.42(6.2/6.3) of the Planning Act.

Solution: York Region can provide a 20% discount to P2G developments that meet the sustainability metrics, like Toronto does with Green Building Standard. Where is York's incentive to build 'sustainable' ?

Problem Statement: New homeowners pay too much tax on tax.

Solution: New homeowners should only pay tax on the “net” cost of a home (ie. Purchase price less all government imposed charges”. This will provide “affordable” housing before buyers continually pay over 33% of taxes in all new home prices.

The Lieutenant Governor may pass a regulation for products that comply with the Places to Grow to provide an incentive for new home buyers to receive a net discount on new homes that meet the Places to Grow and pay only the tax on the ‘net cost’ of a home (assessment value less GIC’s).

Solution: Region can ask the Province to pass this legislation to avoid asking for ‘affordable’ housing since 33% of the costs are government imposed charges.

Lessons Learned

- There are risks and costs to a program of action. But they are far less than the long-range risks and costs of comfortable inaction.

John F. Kennedy

- Stand up for what you believe in even if it is not popular.

Wing's Fortune Cookie