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From: Parks and Recreation Ontario [pro@prontario.org]

Sent: 15/08/2019 15:14

To: accessyork@york.ca

Subject: Assessing the Impact of Bill 108 on Municipal Parks and Recreation

[Inline image URL : <https://www.prontario.org/public/newsletter%20template/Header2.jpg>]

**Important information about the Impact of Bill 108
on municipal parks and recreation**

To: Head of Council

From: Parks and Recreation Ontario

As you are aware, the Provincial Government, through the *More Homes, More Choice Act, 2019 (Bill 108)*, has introduced significant changes to how Ontario's municipalities will plan and fund parks and recreation facilities in their communities. On June 6, 2019, Bill 108, the *More Homes, More Choice Act*, received royal assent. The Province describes this legislation as a plan to increase the amount of housing in Ontario by boosting supply. After careful review, Parks and Recreation Ontario (PRO), through consultation with its membership and key stakeholders, determined this Act could have a significant negative impact on how municipalities deliver parks and recreation facilities in their communities. From our consultation, we have developed four key recommendations that we will be submitting to the Province as they review and prepare for implementation of the Act. These are:

1. The community benefits approach must meet the funding needs of all municipalities today and into the future;
2. Develop a Community Benefits Charge (CBC) cap and formula that is responsive to community-specific and growth-related needs;
3. Provide clarity on transition for in-progress planning applications; and
4. Ensure sufficient time and capacity for municipalities to transition to new CBC authority.

The issues and recommendations are described in further detail in our [submission](#).

We are sharing recommendations with you as a resource to consider in your discussions with the Provincial Government, your local council, staff and key stakeholders. We are also aware that many of you may be meeting with provincial representatives at the upcoming annual AMO Conference and wanted to ensure that this information was available for these potential meetings. We ask that you please share this information with staff who may be preparing submissions on behalf of your municipality.

We appreciate your attention to this matter and your support to advance PRO's mission to provide every person equitable access to vibrant communities, sustainable environments, and personal health.

About PRO

PRO is a provincial association that works to advance the health, social and environmental benefits of quality recreation. We represent over 6,500 members in municipalities across the province. Our members provide vital services and facilities to more than 85% of Ontarians. In all of PRO's submissions, we use evidence-based practices, resources and collaborative partnerships to ensure sound recommendations that reflect the unique voices of the variety of municipalities across Ontario.

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RESPONSE TO ERO POSTINGS UNDER THE *MORE HOMES, MORE CHOICE ACT, 2019*

**Proposed new regulation pertaining to the community benefits
authority under the Planning Act (ERO 019-183)**

**Proposed changes to O. Reg. 82/98 under the Development Charges
Act related to Schedule 3 of Bill 108 - More Homes, More Choice Act,
2019
(ERO 019-0184)**

August 21, 2019
Parks and Recreation Ontario
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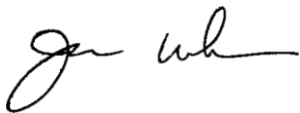
Introduction

Parks and Recreation Ontario (PRO) is a provincial association representing 6,500 members in municipalities across the province. PRO's members provide facilities and services to more than 85% of Ontarians in communities from Windsor to Ottawa to Thunder Bay.

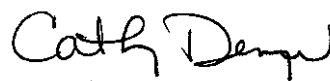
PRO is pleased to provide this submission to the Government of Ontario in response to the ERO postings related to Bill 108, More Homes, More Choice Act (ERO 019-0183 and 019-0184).

PRO collaborated with municipalities across the province on this submission through a working group and a provincial survey of its members. PRO circulated the issues and recommendations in this submission to its municipal members. Overwhelmingly, they agreed that there are significant issues in the legislation and regulation related to the provision of recreation facilities in parks. They also supported the recommendations for extensive consultation with municipal recreation and parks stakeholders, the need for additional clarity on the transitional regulations and more time to transition to the new CBC structure.

Through its membership, PRO is ideally placed to provide advice to the Province on the implementation of the More Homes, More Choice Act to ensure that all municipalities benefit from vital community facilities and parks today and in the future.



Jan Wilson, Chair



Cathy Denyer, CEO

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1. Maintaining Municipal Revenues is not Enough.

Maintaining current municipal revenues under the new community benefits approach will perpetuate existing fiscal issues. Municipalities already struggle to meet community need for the development of facilities and parks using the current tools available (Development Charges; Planning Act Sections 37, 42 and 51).

Recommendation: That the Province work with municipalities to develop a community benefits approach that is calibrated to ensure that it meets the funding needs of all municipalities today and into the future.

Commentary

PRO recognizes the Province’s commitment to revenue neutrality in the new CBC authority, but it is important to acknowledge that many municipalities already struggle under the current legislative framework to meet the growth-related parks, recreation facilities and other discounted “soft services” that are intended to address community needs. Moving forward, the new CBC framework must enhance municipal capacity to meet growth-related pressure and community need for parks and recreation facilities.

Under the current legislative framework, the principle that growth should pay for growth was not fully achieved. Within the DC Act, there were two problematic issues: the statutory 10% reduction for soft services and reduction in excess of 10-year historical service calculations. Both of these had a significant negative impact, especially in communities experiencing rapid growth.

This system often puts pressure on municipalities to fill a funding gap for growth-related infrastructure through the tax base. When municipalities do not have the proper funding tools to pay for growth, their capital budgets are further stretched in order to meet community need. This creates significant challenges for already cash-strapped municipalities. Research shows that municipalities are experiencing serious infrastructure funding gaps.¹

With the expected growth and growth in new areas of the province, it is imperative that the new community benefits framework provide sufficient and sustainable funding so that Ontario municipalities can continue to provide vital services equitably and funded at appropriate levels during development.

¹ Several studies ([FCM](#), [Parks and Recreation Ontario](#), [Statistics Canada](#)) highlight how municipalities are falling behind in the provision of recreation facilities and parks. Aging facilities are putting added pressure on municipal budgets, which further leads to inequitable access to facilities for residents. The FCM Report Card noted that almost half of municipal sport and recreation facilities are in very poor, poor or fair condition and in need of repair or replacement. The Parks and Recreation Ontario Report found that there was a significant infrastructure deficit (\$5B in 2007) for recreation infrastructure, most of which was built between 1949 and 1967. Statistics Canada confirms that municipalities own the vast majority of “soft service” facilities including recreation, libraries and cultural facilities. The same study found that over 50% of municipality-owned facilities were in need of retrofit, repair or replacement.

2. A Provincially-set cap for a CBC will create inequity unless it is designed specifically to address varying land values and density.

Capping the Community Benefits Charge (CBC) at a maximum percentage of land value will pose significant challenges for municipalities in two ways. Firstly, land values vary significantly across Ontario and even within municipalities, but the bricks and mortar costs to build community assets are relatively stable. Secondly, in higher density developments, municipalities will have less revenue per unit to apply to the provision of facilities and parks that are vital for communities. Inequity will result unless the CBC cap and formula address these issues. If there is not enough flexibility to respond to specific community and growth related needs, some municipalities will not have the resources to fund essential community assets like parks and recreation facilities.

Recommendation: That the Province work with municipal parks and recreation stakeholders to develop a CBC cap and formula that responds to community-specific needs and conditions.

Commentary

Development Charges and Planning Act Section 37

Currently, municipalities have a mechanism that allows them to adjust charges to developers based on the type of development, number of units and the density of that development. The new CBC Regulation must provide the same ability for municipalities to fund growth-related charges for infrastructure based on type and intensity of development. Otherwise, the amount paid by developers towards those growth-related costs will be significantly lower per unit of dwelling in higher density builds, but the community need for facilities will be greater because of that increased density.

Secondly, the CBC formula must ensure that where land values vary, the cap would not disadvantage a municipality or community within a municipality with lower land values.

Finally, stakeholders are also concerned that because the CBC formula is based on land value, it will increase the frequency of disputes between developers and municipalities of the value of land. Currently, developers often contest land values as established by a municipality. The proposed CBC process could exacerbate this, leading to further delays in development and receipt of funds.

Section 42, alternate rate, and Section 51.1 of the Planning Act

In order to keep pace with development in high density communities, municipalities in the Greater Golden Horseshoe make use of the alternative parkland dedication rate available under the Planning Act. But, for some time, municipalities with medium- and high-density developments have faced significant challenges in acquiring enough parkland to meet the needs of for parkland dedication. This concern is heightened now that the alternative rate for parkland dedication and community benefits are to be repealed or significantly altered. The loss of specific tools to acquire parkland must be a significant aspect of the CBC authority.

Community Benefits Charge or Parkland Dedication

PRO's members are deeply concerned that municipalities will have to choose between parkland dedication and a Community Benefits Charge Strategy and Bylaw. Municipalities require the flexibility that separate instruments provide, given the vastly different requirements for community facilities and acquiring parkland. Section 42 permits municipalities to require parkland as a condition of development and fund park development through DCs or other sources, whereas the new CBC allows in-kind contributions. Combining these complex tools into a single community benefits charge bylaw will be a difficult process.

This further necessitates full engagement of parks and recreation stakeholders to ensure that the CBC Regulation enables municipalities to create desirable communities, with high quality facilities and access to green space, for the people of Ontario. It will also support housing growth and economic development.

3. The transition provisions in the regulations have left municipalities uncertain as to the impact on in-progress applications.

Changing rules mid-stream creates uncertainty for existing funding arrangements associated with in-progress planning applications, especially related to the immediate repeal of Section 42 of the Planning Act without transition provision.

Recommendation: That the Province provide adequate transition for in-progress planning applications so that municipalities can continue to receive the land and contributions for parkland or recreation facilities that were contemplated when the applications were received. Changes should only apply to complete application submitted after proclamation. And specifically, that a transition provision be included related to Section 42 of the Planning Act.

Commentary

Municipalities approve planning applications (e.g. plan of subdivision, site specific application) based on a series of assumptions, which may include securing parkland dedication or funding for park or recreation facilities as part of the development. In many cases, a municipality will make investments early in the development process ("front-end") based on agreements that the developer will reimburse the municipality at a later date. With the proposed regulatory changes, which will see an end to levying development charges for community infrastructure as of January 1, 2021, it is not clear if or how a municipality will be able to ensure existing agreements will be fulfilled to support planning decisions that have already been made by municipal governments.

Most importantly, the Regulation as drafted does not appear to provide a transition provision for the alternate rate (Section 42 of the Planning Act), meaning that if or when the relevant section of legislation is proclaimed, municipalities will be left with a gap until such time as a Community Benefit Charge is in place.

Here is an example, provided by the City of Toronto, of a planned development that would be significantly impacted with the repeal of the Section 42 Alternative Parkland Dedication Rate. The amount of parkland is not adequate for this type of intensified community.

Alternative Rate - Current



Impact of Bill 108



4. January 1, 2021 is not enough time for many municipalities to have a CBC in place, especially if the regulation(s) is not finalized until the fall of 2019.

Recommendation: That the Province allow more time for municipalities to transition to a Community Benefits Charge.

Commentary:

Municipalities are concerned that the timelines to implement a CBC Strategy and Bylaw are inadequate. Municipalities will be required to analyze and understand the new CBC Regulation and its impact on current Master Plans and subsidiary parks and/or facility plans. It is also critical to have extensive community consultation on a strategy, prior to establishing the bylaw.

PRO members recommend that a more reasonable transition date would be no earlier than January 1, 2022.

Conclusion

Parks and Recreation Ontario appreciates the opportunity to address specific concerns related to proposed regulations under the *More Homes, More Choice Act*. PRO has focused its comments on strengthening the proposed regulation to support the provision of vital community recreation infrastructure and parks. There continues to be an overriding concern from stakeholders that municipalities need adequate planning tools to support municipal planning and heritage decisions, along with sufficient and sustainable funding to ensure current and future provision of recreation facilities and parks.

PRO looks forward to working with the Province to ensure that the perspective of municipal recreation and parks is included in the consultations on these regulations and the development of the Community Benefits Charge Regulation.

For additional information, please contact:

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