

April 14, 2020

John Ballantine
Municipal Finance Policy Branch
College Park 13th Floor, 777 Bay Street
Toronto, ON
M7A 2J3

Dear Mr. Ballantine:

RE: Environmental Registry of Ontario Posting # 019-1406 - The Proposed regulatory matters pertaining to community benefits authority under the *Planning Act*, the *Development Charges Act*, and the *Building Code Act*

The Ontario Federation of Agriculture (OFA) is Canada's largest voluntary general farm organization, representing more than 38,000 farm family businesses across Ontario. These farm businesses form the backbone of a robust food system and rural communities with the potential to drive the Ontario economy forward.

OFA is pleased to comment on the proposed regulatory changes under the *Planning Act*, the *Development Charges Act* and the *Building Code Act*.

Development charges

Ontario's Provincial Policy Statement appropriately acknowledges the need to protect agricultural land. Only 5% of Ontario's land base is suitable for agriculture. And since we have no way to make more soil, we need to hold on to all the productive land and soil we have. And if the supply of available, productive agricultural land continues to dwindle, everyone will suffer.

Every day, prime agricultural land is lost to non-agricultural uses like housing and commercial developments and aggregate extraction. Statistics Canada reports illustrate this very clearly. In the five-year period between 2006 and 2016, nearly 390,000 hectares of farmland was lost. Ontario cannot sustain this level of farmland loss and continue producing enough food, fiber and fuel.

Development charges are a financial tool that can be adjusted to provide incentives to help keep farmland in production. Imposing development charges on building new farm structures creates a disincentive for farmers to reinvest in their farm operation, which undermines the financial viability of Ontario family farms and leads to the loss of agricultural land.

To create the financial incentives necessary to support the protection of agricultural land, farm buildings/structures should be exempt from development charges. Exempting farm structures

from development charges, and maintaining them for all other types of development, will increase the relative cost for developing agricultural land for other uses, creating a financial incentive to keep agricultural land in production.

In addition, exempting farm structures from development charges is consistent with the purpose of development charges, i.e., “to pay for increased capital costs required because of increased needs for services arising from development”. New farm residences should be treated the same as other new residences with regards to development charges. The construction of new farm buildings/structures, however, does not generate growth-related capital costs. Therefore, development charges should not apply to farm buildings/structures. If they do, farmers are bearing more than their share of the municipality's additional capital expenditures.

Most municipalities in agricultural areas have chosen to exempt farm buildings from development charges. However, subsequent by-laws may inadvertently omit the existing exemptions for farm buildings/structures unless farmers and municipal counselors are vigilant.

Standardizing the application of development charges to agriculture through a province-wide exemption would prevent farmers from facing inequitable treatment in a minority of municipalities that have inadvertently not provided an exemption.

Therefore, OFA requests that the *Development Charges Act* be amended **to provide a statutory exemption to farm buildings/structures from all development charges.**

The proposed regulatory changes to the *Development Charges Act* would allow for Development Charges to be applied to fund the following services.

1. Public libraries, including library materials for circulation, reference or information purposes
2. Long-term care
3. Parks development, such as playgrounds, splash pads, equipment and other park amenities (but not the acquisition of land for parks)
4. Public health
5. Recreation, such as community recreation centres and arenas

OFA recognizes that these are vital services for communities across Ontario. It also needs to be recognized that the construction of on farm buildings/structures will not increase the capital cost requirements of providing these services. Provided farm buildings/structures are exempt from development charges, OFA supports the proposed changes. This is consistent with OFA's position on Development Charges which is that “development should pay for the cost of development”.

Community Benefits

Similarly, OFA recognizes the need for Community Benefit charges to help municipalities recover development related costs that are not captured by Development Charges. Applying Community Benefit charges would lessen the burden on local property taxpayers who need to pick up the cost of development related costs that are not captured by Development Charges.

Given that Community Benefits charges, much like Development Charges are intended to cover the capital costs associated with development and that farm buildings/structures do not contribute to such capital costs, **OFA requests that farm buildings/structures be exempt from all Community Benefits charges.**

Sincerely,



Keith Currie
President

cc: OFA Board of Directors