

June 6, 2025

Ministry of Municipal Affairs and Housing
777 Bay Street, 17th Floor
Toronto, ON
M7A 2J3

Submitted online and sent via email to MFPB@ontario.ca

Dear MMAH officials,

RE: 25-MMAH003: Proposed Changes to the Development Charges Act, 1997 (Bill 17, Protect Ontario by Building Faster and Smarter Act, 2025)

The Ontario Federation of Agriculture (OFA) proudly represents more than 38,000 farm family members across the province, supporting our members and the agri-food industry on issues, legislation and regulations administered by all levels of government. OFA is passionate and dedicated to ensuring that the agri-food sector and rural communities are considered and consulted with for any new or changing legislation that would impact the sustainability and growth of our farm businesses.

OFA appreciates this opportunity to provide input with respect to the Regulatory Registry of Ontario posting # 25-MMAH003, which proposes changes to the Development Charges Act.

OFA firmly supports the principle that growth must pay for growth. Development Charges (DCs) represent a critical funding mechanism ensuring that the cost of infrastructure to service new development does not shift unfairly onto existing property taxpayers. Our response to each specific proposal outlined in the consultation is as follows:

1. Create a Regulation-Making Authority to Merge Service Categories for Development Charge Credits

OFA recognizes that allowing DC credits earned by developers to apply across merged service categories could streamline processes and reduce administrative complexity.

However, we caution against the overly broad merging of categories, which could risk the underfunding of essential infrastructure. Clarity and transparency must be preserved, ensuring growth-related municipal infrastructure costs are adequately funded by DC revenues.

2. Create Regulation-Making Authority to Specify What Constitutes a "Local Service"

OFA supports clearly defining "local services" within regulations. Clearly prescribed definitions will provide greater predictability, transparency, and fairness in how local infrastructure costs are allocated, helping municipalities manage growth-related capital expenditures without inadvertently impacting existing taxpayers.

3. Expand the Development Charge Deferral to Non-Rental Residential Development

OFA strongly believes growth-related costs should remain funded by the developments generating the increased costs. Extending deferrals without interest charges could create revenue shortfalls for municipalities, forcing existing property taxpayers, including farmers, to cover infrastructure costs in the interim. We caution against this proposal as it risks undermining the fundamental purpose of DCs—ensuring growth pays for itself.

If DC deferrals are expanded to non-residential development, the province must ensure municipalities are reimbursed for any funding shortfall that this expansion might create.

4. Changes to Reduce Development Charges

OFA supports allowing municipalities more flexibility to reduce DCs without requiring additional background studies which are expensive and time consuming, particularly for small, rural municipalities. However, we oppose the proposal to give municipalities the ability to substantially change their development charge by-law without public consultation. Local taxpayers have the right to comment on any proposed changes to development charge bylaws, especially in cases where the proposed changes have financial implications for local taxpayers.

5. Create a Regulation-Making Authority to Limit Eligible Capital Costs

OFA does not support limiting eligible capital costs through regulation. Municipalities require the flexibility to define and recover the full range of legitimate growth-related capital expenditures, including land acquisition and improvements, ensuring growth fully covers its associated infrastructure costs. Arbitrary limitations could undermine municipalities' capacity to sustainably manage growth.

6. Changes to the Application of the DC Freeze

OFA does not have a strong view on this issue but understands the need to simplify the development charges process.

7. Exempt Long-Term Care Homes from Development Charges

OFA supports in principle, the idea of exempting certain structures from development charges so long as two conditions are met:

- I. The development in question will not materially impact the municipalities' ability to deliver the required infrastructure services.
- II. The development is related to a provincial priority.

With that in mind, OFA strongly reiterates our longstanding position advocating for a statutory exemption for farm buildings and structures from the *Development Charges Act*.

Farm structures like barns, silos, grain storage facilities, and livestock housing **do not drive the need for growth-related infrastructure** in the same manner as residential, commercial, or industrial developments. Instead, they support ongoing agricultural operations and help ensure farmland remains viable and productive.

The majority (74%) of Ontario municipalities already recognize this by providing farm exemptions in their local DC by-laws. The absence of a statutory exemption creates regional inequities and unnecessary administrative complexity, discouraging critical investment into farm infrastructure.

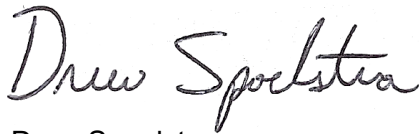
Agriculture represents a cornerstone of Ontario's economy, in 2024, the Agri-Food sector generated \$50.65 billion in provincial GDP and supported 871,883 jobs across the province. Ontario farmers currently face escalating financial pressures from rising input costs, interest rates, and property taxes. Exempting farm buildings from DCs would help encourage farm investments, enhancing agricultural productivity, economic growth, and food security for Ontarians.

Moreover, providing statutory exemptions for farm buildings supports the provincial goal of preserving farmland. It financially incentivizes maintaining agricultural land in production rather than converting farmland for non-agricultural uses.

To provide clarity, fairness, and promote provincial economic and environmental priorities, OFA respectfully requests the government to amend the Development Charges Act to provide a statutory exemption for farm buildings and structures from municipal development charges.

Thank you for considering our views. We remain committed to working collaboratively with the Ministry and other stakeholders to ensure that legislative changes support the sustainability and growth of Ontario's agri-food sector and rural communities.

Sincerely,



Drew Spoelstra
President

cc: The Hon. Rob Flack, Minister of Municipal Affairs and Housing
The Hon. Trevor Jones, Minister of Agriculture, Food and Agribusiness
The Hon. Lisa Thompson, Minister of Rural Affairs
OFA Board of Directors

This submission has been approved by OFA Board of Directors and will be posted to OFA's website: <https://ofa.on.ca/resources>.