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Submitted Electronically

Ministry of Municipal Affairs & Housing

ERO Proposal Number: 019-7669

Re: Changes to the definition of an “Affordable Residential Unit” in the Development Charges Act, 1997 for the purpose of municipal development-related charge discounts and exemptions

Thank you for the opportunity to provide comments on the proposed definition of “affordable residential unit” in the Development Charges Act.

DiamondCorp is a Toronto-based real estate developer that is committed to enhancing the residential, retail, and commercial experience within the communities we plan and develop. Our company has advanced several projects that incorporate affordable housing, including both affordable ownership and affordable rental options. We recognize the need for, and applaud the Province’s efforts to incentivize, the creation of more affordable housing in Ontario communities. In the context of a housing supply crisis and given market realities such as high construction and financing costs and labour supply challenges, it is essential that all efforts are made to lower the cost and facilitate the delivery of affordable housing.

While it is encouraging to see the Province take action to lower the cost of development-related fees and charges, we are concerned about the practicality of the proposed definitions of affordable ownership and affordable rental units in the Development Charges Act. The proposed approach for calculating affordable rents and purchase prices is likely to set the bar of affordability too low to make the development of affordable housing financially feasible in many instances, even with the waiver of development charges and parkland dedication requirements. Additionally, the income-based affordable unit definition introduces an element of uncertainty with respect to what pricing will ultimately meet the definition of affordability, making it difficult to plan for, and commit to, affordable housing when underwriting a project.

An affordable housing definition that is based on average market rent, or average purchase price, would be more appropriate, making it more likely that the revenue from affordable housing units would be set at a point that allows for costs to be covered. This would help to ensure that affordable housing will ultimately be more feasible to deliver.

We applaud the Province for taking steps to incentivize the development of affordable housing but we encourage the careful review of implications of the proposed definitions of affordable units. I am available to discuss these matters, as well as other ideas for incentivizing and improving the feasibility of delivering affordable housing.

Yours truly,

A handwritten signature in black ink, appearing to read 'Stephen Diamond', with a long horizontal flourish extending to the right.

Stephen Diamond, CEO
DiamondCorp