



## HOME BUILDERS' COMMENTARY ON RAPID TRANSIT

*The Region and Area Municipalities must continue to work towards creating a public policy framework that supports redevelopment and removes the barriers affecting private investment. Streamlining the Development Review and providing for greater balance between competing interests is vital.*

**WATERLOO REGION, (June 7, 2011)** - Waterloo Region Home Builders' Association (WRHBA) and its member companies have been building and shaping communities in the Region since 1946. The timely provision of infrastructure that is required for growth in this community has always been at the forefront of our advocacy efforts. This is inextricably linked to our ability to maintain housing choice and affordability for consumers. Over the past few years, the Region has been focusing on the provision of improved transit systems to deal with growth that is expected over the next 20 years. From our perspective, it seems the public and political debate related to Rapid Transit within our Region has been endless and it is time for Regional Council to make a decision and move forward.

In many ways, the public policy and planning framework that was laid out through the Regional Growth Management Strategy (2003), the Provincial Policy Statement (2005), the Growth Plan for the Greater Golden Horseshoe (2006), the Regional Official Plan (2009) and the Area Municipal Plan Reviews appears to destine that a higher order of transit may be necessary for the efficient movements of goods and services. This however, must still be balanced with the needed road system that provides connection within and between our neighbourhoods and communities. The continued maintenance and upgrading of the existing road network is also equally essential.

Our Region is different from other communities considering the same decision. The first Regional Official Policies Plan (1977) recognized the benefits of a central corridor of higher intensity and development and which the current planning now provides for. In our Region, the outward settlement expansion has been planned growth through the logical extension of municipal services in accordance with Municipal Staging of Development Plans. This planned growth has ensured that sprawl and leap-frog development would not take place in our community.

Our Association is concerned that housing choice and affordability could potentially be undermined through the financing decisions related to Rapid Transit and the existing significant infrastructure deficit that needs to be addressed in a responsible manner.

It would appear that much of the Rapid Transit debate focuses on two aspects. The first being the technology to be utilized throughout the system. A decision on a LRT vs BRT system (or a combination of the two) needs to be made based on a detailed technical and financial analysis and not political desires.

Given the significant contribution of public dollars for this capital project from the Federal and Provincial Governments we believe it is prudent that these two levels of government should confirm their commitment given the technical studies completed to date. Are they satisfied that there is a demonstrated need and do they support the proposed staging?

The second, and most important aspect relates to "How will the Capital costs be financed after allocating the other sources of funding?" We believe that it was very short sighted to be discussing a new system without a clear and logical plan to pay for the significant Capital costs of the system. We should remind ourselves that relying on both Federal and Provincial funding all comes from the same tax payer, just a larger pool. Based on this principle, Regional Council should rethink their approach to limit property tax increases to just the Cities of Cambridge,

Kitchener and Waterloo to pay the remaining Capital costs after taking advantage of the upper tier government commitments. We believe that all residents of the municipality should share in the Capital costs of the new transit system just as with any other infrastructure. The other municipalities should remind themselves that many other capital costs such as wastewater treatment systems were all supported by all regional taxpayers and not limited to those within the respective municipality. This is a responsible and equitable approach.

We acknowledge that there are pressures to re-examine the Development Charges Act and to make changes that would allow a higher level of funding to be obtained from Development Charges for new and expanded transit systems. However, Development Charges are a significant tax on new residential and non-residential construction and is not a viable and sustainable source of funding for these types of infrastructure projects. Ideally, the Region should obtain their share of the funding through debt instruments that are repaid through property taxes. The equitable distribution of costs among all taxpayers and across several generations provides for recognition of the broader community benefit. This approach provides for the amortization of the infrastructure over the life of the facility.

We remind Regional Council and the other Municipalities that they are operating with a significant existing infrastructure deficit that must be addressed through a strategy that is financially responsible and sustainable. Without an appropriate strategy, the growth and prosperity that we have historically enjoyed in this Region could be in jeopardy. In addition, the ability to implement public planning policies for new housing, commercial and employment required to support a Rapid Transit initiative may be hindered.

The Region and the Area Municipalities must continue to work towards creating a public policy framework that supports redevelopment and removes the barriers affecting private investment. Streamlining the Development Review and providing for greater balance between competing interests is vital. Our Association has and will continue to provide feedback on these issues through discussions at our Nationally recognized Municipal Liaison Committees and the Reurbanization Working Committee.

Waterloo Region Home Builders' Association has been the voice of the residential construction industry since 1946. WRHBA membership includes new home builders, renovators, developers, trades, manufacturers, suppliers, lenders and other professionals. These comments from the Association do not preclude that some of our members may have a different opinion on this important issue.

We trust that Regional Council will consider all matters and reach a decision that provides for the continued prosperity of our community.

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*Established in 1946, the Waterloo Region Home Builders' Association (WRHBA) has been the official voice of the residential construction industry in Waterloo Region and as such, it is actively involved in all facets of the new home construction and residential renovation industries. As a voluntary association with over 245 member companies, WRHBA's network of professionals effectively manage industry issues across the region including the cities of Kitchener, Waterloo, Cambridge, and the Townships of North Dumfries, Wellesley, Wilmot and Woolwich. WRHBA's primary goal is to positively impact the communities where their members and their customers live, work and play through addressing important issues head on and ensuring a strong presence that benefits members and contributes to housing affordability and the well-being of communities. WRHBA encourages innovations and excellence in the planning and building of sustainable communities and in the redevelopment and renovation of existing communities. To this end, WRHBA works with government at all levels, and it regularly facilitates discussions between the industry and the federal, provincial, regional and local governments to establish fair and effective policies that affect development, building, and home ownership in Waterloo Region.*

*Visit [www.wrhiba.com](http://www.wrhiba.com) for further association information.*

**Waterloo Region Home Builders' Association**

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