

REPORT

Development Charges Steering Committee

Meeting Date: April 22, 2022

FROM: Finance Department

DATE: April 12, 2022

SUBJECT: Presentation on 2022 Development Charges Background Study
and Community Benefits Charge Strategy

LOCATION:

WARD: Town-wide

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RECOMMENDATION:

That the presentation from Gary Scandlan, Managing Partner, Watson & Associates Economists Ltd., regarding the Town's Development Charges Background Study and Community Benefits Charge Strategy, be received.

KEY FACTS:

The following are key points for consideration with respect to this report:

- The Town's Development Charges (DC) Background Study is currently being finalized
- The *Development Charges Act, 1997* (DCA) requires the release of the final background study and draft DC by-law 60 days prior to the adoption of the by-law
- The background study and draft by-law will be released in May. A public meeting as required under the DCA will be held at the Council meeting on June 20, 2022
- Council adoption of the new DC by-law is scheduled for the July 12, 2022 Council meeting
- On September 18, 2020 the remaining amendments to the DCA and the *Planning Act* introduced through *Bill 108, the More Homes, More Choices Act, 2019* (Bill 108) and *Bill 197, the COVID-19 Economic Recovery Act, 2020* (Bill 197) were proclaimed. A transition period of two years, or September 18, 2022, was established for municipalities to move to the new regime

- Section 37 of the *Planning Act*, previously bonus zoning for increased height or density, has been replaced with a new Community Benefits Charge (CBC). Bonusing will no longer be a tool the municipality can employ as of September 18, 2022
- In order to utilize section 37, the Town may by by-law impose a CBC that would only apply to high density developments that are five storeys or more and have a minimum 10 residential units
- Prior to passing a CBC By-law, a CBC Strategy is required and is currently being finalized
- Council adoption of the new CBC by-law is scheduled for the July 12, 2022 Council meeting
- Gary Scandlan from Watson & Associates Economists Ltd. will provide the Steering Committee with an overview of the DC Background Study and the CBC Strategy
- A stakeholder meeting will be scheduled with interested parties subsequent to this meeting to provide an opportunity for comments prior to the adoption of the DC By-law and the CBC By-law

BACKGROUND:

The Town is required to pass a DC By-law to replace DC By-law 2018-001, and Amending By-law 2021-016, on or before February 28, 2023. An amendment to DC By-law 2018-001 was passed in March 2021 in order to recalculate the charge and update the by-law for the changes in force from Bill 108 and Bill 197. The amendment does not change the by-law expiry date of February 2023. Under the DCA, a DC By-law may only be passed with the completion of a DC Background Study. The 2022 DC Background Study includes updates to project costing and timing within the 2031 growth forecast period.

As a result of Bill 108 and Bill 197, Community Benefits Charges replace bonus zoning for increased height and density under section 37 of the *Planning Act* as of September 18, 2022. In order to implement a CBC, a CBC Strategy is required prior to the passage of a CBC By-law. This Strategy must follow the requirements in the *Planning Act*, which are similar to that of DC Background Study under the DCA.

The Town has retained Watson & Associates Economists Ltd. to complete the 2022 DC Background Study and CBC Strategy.

COMMENT/OPTIONS:

The DC Background Study and CBC Strategy have been underway since October 2021. Gary Scandlan, the lead consultant on the project, will provide an overview of

the work completed to date and details related to the proposed development charges and community benefits charge.

CONSIDERATIONS:

(A) PUBLIC

Before passing the DC By-law, Council must hold at least one public meeting and give at least 20 days notice of the meeting or meetings. The background documents must be available to the public at least 60 days prior to the passing of the by-law. Before passing the CBC By-law, the Town must engage with such persons and public bodies as the municipality considers appropriate.

(B) FINANCIAL

Development charges and collections under section 37 of the *Planning Act* provide mechanisms to finance the costs of growth from new development. The Town utilizes these financial tools to fund additional land and infrastructure needed as a result of growth so that services can continue to be provided at established levels, while minimizing the financial impact of growth-related needs on existing residents and businesses.

(C) IMPACT ON OTHER DEPARTMENTS & USERS

Several departments are involved in the completion of the DC Background Study and CBC Strategy.

(D) CORPORATE STRATEGIC GOALS

This report addresses the corporate strategic goal(s) to:
Be fiscally sustainable

(E) CLIMATE CHANGE/ACTION

N/A

APPENDICES: N/A

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