**Bill 108 - Proposed Regulations**

**Development Charges Act (Proposed Changes to O. Reg. 82/98) – related to Schedule 3 of Bill 108 - More Homes, More Choice Act, 2019 - ERO#019-0184 (due Aug. 21)**

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| **THEME** | **COMMENT** |
| **1. Community Benefits Authority Transition**That the specified date for municipalities to transition to community benefits is January 1, 2021.From this date to beyond Municipalities would generally no longer be able to collect development charges for discounted services | - Municipalities will need to meet this date in order to continue to collect revenues for DC soft services. There is a significant amount of work to be done in advance of this date, including the preparation of a community benefits strategy and By-law that must include consultation with persons and public bodies yet to be identified.- Considering that the regulations defining the formula and methodology are still being developed, that consultation on those items is expected to continue through late summer, and that implementation of the Legislation/Regulation will undoubtedly require a significant amount of unplanned and unbudgeted resources, having a longer time to transition would allow municipalities to be more prudent.- As it will take some time to evaluate the approach to these studies, carry out the studies, undertake a public process and pass by-laws, the time frame is limited and should be extended. |
| **2. Types of development subject to development charges deferral**Definitions provided for the purpose of obtaining development charge deferrals:* Rental Housing
* Non-profit Housing
* Institutional development
* Industrial development
* Commercial development
 | As a general comment, request that the Province clarify their intent in relation to some terms, leaving the municipality to provide more detailed definitions that meet the Provincial intent within the local context. For example:* Is non-profit housing intended to be affordable (there is currently no reference to affordability)
* Are retirement homes intended to include high end housing targeted to seniors?
* ‘Industrial’ definition is far too broad and the Province should provide clarity in terms of intent. A definition that speaks to the manufacturing, production or processing of ‘anything’ will undoubtedly catch uses that go beyond typical ‘industrial’ uses and likely weren’t intended to be eligible.
* How does this provision apply to shopping centres that are constructed as standalone retail buildings?
* Will the deferral for commercial uses be based on assessment act or how taxes are paid?
* Consider removing institutional developments, industrial developments, and commercial developments to reduce risk municipalities will be exposed to in the interim between when a building permit is issued and when the final DC installment payment is due. Is there evidence that these types of developments promote housing development & supply?
* Have a mechanism to ensure rentals are not converted into market housing at occupancy needs to be in place.
* As the landowner may change during the period when payments are being made, how will municipalities be able to track the changes in ownership? Is there an ability to place a notice on title of the land?
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| **3.** **Duration of DC Freeze**DC would be frozen until two years from the date the site plan application is approved, or in the absence of the site plan application, two years from the date the zoning application was approved  | - Freezing DC rates too early in the process creates a structural disconnect between costs incurred and revenues received.- This provision may provide for abuse where land owners may apply for minor zoning changes in order to freeze the DC for several years.- There is discrepancy between the notice and proposed content sections in which the notice indicates a development charge would be set at the time council receives the site plan application for a development; whereas the proposed content suggests that the development charge would be frozen until two years from the date the site plan application is approved. The appropriate trigger should be the approval rather than submission of the application.- In a situation where the planning application is appealed by the applicant, there can be a significant delay associated with appeals (years, in some cases), meaning that by the time the appeal is resolved and development occurs, the DCs could be quite outdated. As such, in the case of appealed applications the DC rate should be frozen at time a decision has been reached at the LPAT. |
| **4. Interest rate during deferral and freeze of development charges**- not proposing to prescribe a maximum interest rate that may be charged on DC amounts that are deferred or on DC’s that are frozen | - Should there be consistency between upper- and lower-tier municipalities- If interest rate selected is too high, would it discourage paying installments- Is there a dispute process if developer feels rate is too high |
| **5. Additional Dwelling Units** - proposed that one additional unit in a new single detached dwelling; semi-detached dwelling; and row dwelling, including in a structure ancillary to one of these dwellings, would be exempt from development charges.- Also proposed that within other existing residential buildings, the creation of additional units comprising 1% of existing units would be exempt from DC’s | - If this type of intensification becomes significant (i.e. additional units), it will mean that there will be a shortfall in DC revenues in comparison with the amounts needed to recover growth related capital costs.- If enacted, all the noted exemptions should be granted once, so as to not allow for multiple exemptions into perpetuity or abuse of the intent of the system.- Recommend providing municipalities with the flexibility to better define the term to fit within their local context. |
| **6. Additional Administration Burden** | - The multi-instalment payment plans, which will require significant additional administration and coordination efforts between two-tier regions, especially the enforcement of payments over multiple years with possibly more than one owner. Also introduces collection risks.- Additional tracking with Freezing the development charge at site plan or at zone change - The new appraisal process, which will add costs to municipalities and will add to the time required for developments to be approved.- Ongoing costs to administer the DC and CBC regimes should be eligible for recovery via DCs and CBCs. |