



The Regional Municipality of Niagara

Regional D.C. Policy Task Force Meeting #1

March 25, 2021

Agenda



- Introductions
- D.C.A. Overview
- Bill 108, Bill 138, Bill 197 and Bill 213 – Changes to the Development Charges Act
- Study Process and Timelines
- Next Steps
- Questions



D.C.A. Overview

Niagara Region 2021/2022
D.C. Background Study

Development Charges (D.C.)



Purpose:

- To recover the capital costs associated with residential and non-residential growth within a municipality
- The capital costs are in addition to what costs would normally be constructed as part of a subdivision (i.e. internal roads, sewers, watermains, roads, sidewalks, streetlights, etc.)
- Municipalities are empowered to impose these charges via the Development Charges Act (D.C.A.)

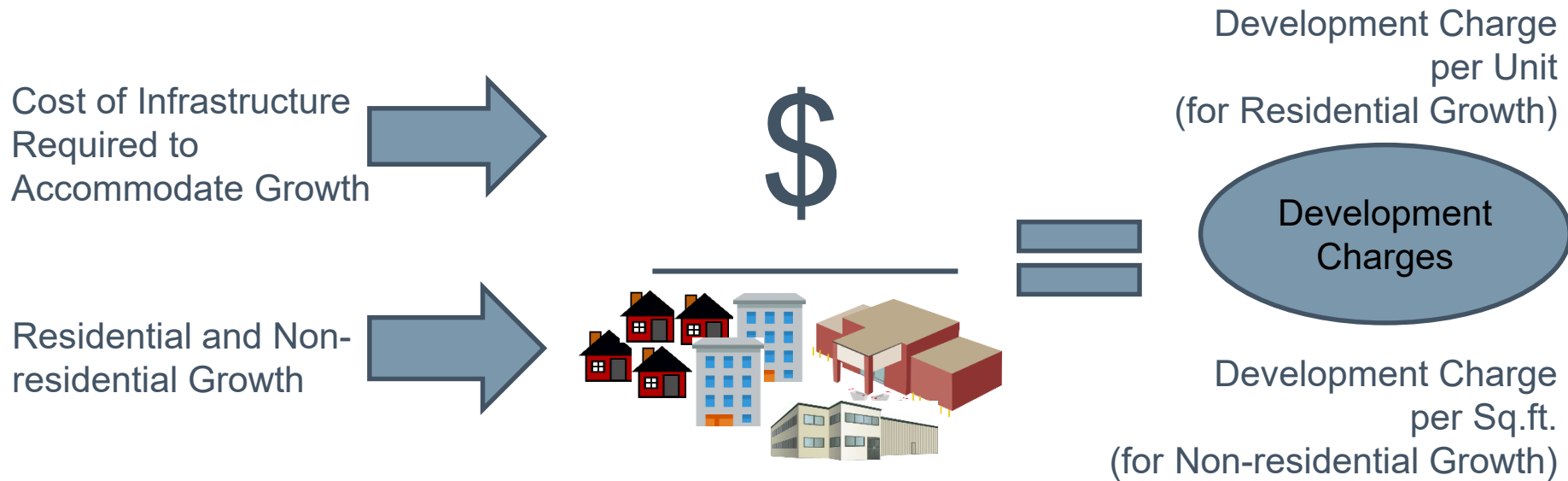
D.C. Eligible Services



- Prior to Bill 197 (discussed later in this presentation), the D.C.A. identified a number of ineligible services. As per the amendments to the Act, the D.C.A. now lists the eligible services. These are:
 - **Water**
 - **Wastewater**
 - Stormwater
 - **Services related to a highway**
 - Electrical power
 - Toronto-York subway extension
 - Transit
 - **Waste Diversion**
 - **Policing**
 - Fire
 - **Ambulance**
 - Library
 - **Long-term Care**
 - Parks and Recreation
 - **Public Health**
 - **Childcare and Early Years***
 - **Housing**
 - **Provincial Offences Act**
 - Airports (only for the Region of Waterloo)

*Note: Currently combined with Social Services (no longer eligible) 5

Overview of the D.C. Calculation



Exemptions



Mandatory Exemptions:

- Upper/Lower Tier Governments and School Boards
- for industrial building expansions (may expand by 50% with no D.C.)
- May add up to 2 apartments in a single as long as size of home doesn't double
- Add one additional unit in medium & high-density buildings
- Residential development (additional unit or ancillary dwelling) in new dwelling units (as per Bill 108)
- University that receives operating funds from the government (as per Bill 213)

Discretionary Exemptions:

- Reduce in part or whole D.C. for types of development or classes of development (e.g. industrial or churches)
- May phase-in over time
- Redevelopment credits to recognize what is being replaced on site (not specific in the Act but provided by case law)



Changes to the D.C.A Bills 108, 138, 197 & 213

Niagara Region 2021/2022
D.C. Background Study

Changes to the D.C. Legislation since 2017



There were a number of changes to the D.C.A. since the completion of the previous background study. These changes were provided through:

- Bill 108: More Homes, More Choice Act, 2019
- Bill 138: Plan to Build Ontario Together Act, 2019
 - Removed instalment payments for commercial and industrial developments (identified in Bill 108)
- Bill 197: COVID-19 Economic Recovery Act, 2020
- Bill 213: Better for People, Smarter for Business Act, 2020



Bill 108: “More Homes, More Choice: Ontario's Housing Supply Action Plan”

- On May 2, 2019, the Province introduced Bill 108, which proposed changes to the D.C.A.
 - The Bill received Royal Assent on June 6, 2019
- The following provisions are effective as of January 1, 2020:
 - Rental housing and institutional developments will pay D.C.s in 6 equal annual payments
 - Non-profit housing developments will pay D.C.s in 21 equal annual payments
 - The D.C. rate is frozen for Site Plan or Zoning By-law amendments until 2 years after approval
 - Interest may be charged on the instalments and rate freeze

Bill 197 (COVID-19 Economic Recovery Act, 2020)



The Province tabled legislation on July 8, 2020 in response to the COVID-19 global pandemic. Many of the changes proposed in Bill 108 that were not yet in effect have now been revised. All sections of Bill 197 were proclaimed on September 18, 2020. The following changes are provided in Bill 197:

- Eligible services: the list of eligible services has now been expanded from the original list under Bill 108.
- The mandatory 10% deduction is removed for all D.C.-eligible services
- The mandatory 10-year planning horizon for soft services has been removed (except for transit)
- Community Benefits Charge: eligible for **lower-tier and single-tier** municipalities only – limit 4% of market value of land
 - Can only be applied to higher density development (where there are more than 10 residential units and 5 or more storeys)



Study Process & Timelines

Niagara Region 2021/2022 D.C.
Background Study



Proposed Timelines for Study Process



Note: Stakeholder meetings to be held throughout process (i.e. local municipal stakeholders & development community)



Next Steps

Niagara Region 2021/2022 D.C.
Background Study

Next Steps



- Regional staff and Watson preparing Service Standard and Capital worksheets
- Regional staff and Watson to prepare outline of Policy Document for discussion at next DC Task Force meeting. Policies may include:
 - Timing of Collection – Instalment payments and DC rate freeze (Bill 108);
 - Calculation Methodology;
 - Discretionary Exemptions – DC By-law vs. Grant Program;
 - Area-rating;
 - Definitions in the By-law;
 - Treatment of Secondary Units in New Homes; and
 - Other areas determined by staff and the DC Task Force.



Questions?