July 25, 2019

The Honourable Steve Clark
Ministry of Municipal Affairs and Housing
777 Bay Street
17th Floor
Toronto, ON M5G 2E5

Dear Honourable Sir:

Re: Consultation on Draft Bill 108 Proposed Regulations under the *Planning Act* and the *Development Charges Act*

The Council of The Corporation of the Town of Tecumseh, at its regular meeting held Tuesday, July 23, 2019, gave consideration to Report PBS-2019-24, *Bill 108 – More Homes, More Choice Act, 2019*, Posting of Draft Bill 108 Regulations.

At the meeting, the following resolution (RCM 227/19) was passed:

> **That** PBS-2019-24, *Bill 108 – More Homes, More Choice Act, 2019*, Posting of Draft Bill 108 Regulations, be received;
>
> **And that** PBS-2019-24 be submitted to the Province through the Environmental Registry of Ontario as comments from the Town of Tecumseh on Draft Bill 108 Proposed Regulations under the *Planning Act* and the *Development Charges Act.*

Carried

Accordingly, submitted herewith is a copy of Report PBS-2019-24. Please accept this report as the Town of Tecumseh's comments on the proposed new regulations and regulation changes under the *Planning Act*.

Yours very truly,

Laura Moy,
Director Corporate Services & Clerk

Attachments:

1. PBS-2019-24, Bill 108 – Summary of Proposed O. Regulations

cc: Brian Hillman, Director, Planning and Building Services, Town of Tecumseh, bhillman@tecumseh.ca
Chad Jeffrey, Manager Planning Services/Senior Planner, Town of Tecumseh, cjeffrety@tecumseh.ca

The Corporation of the
Town of Tecumseh

Planning & Building Services

To: Mayor and Members of Council

From: Brian Hillman, Director Planning & Building Services

Date to Council: July 23, 2019

Report Number: PBS-2019-24

Subject: Bill 108 - More Homes, More Choice Act, 2019
Posting of Draft Bill 108 Regulations

Recommendations

It is recommended:

> **That** PBS-2019-24, *Bill 108 – More Homes, More Choice Act, 2019*, Posting of Draft Bill 108 Regulations, **be received**;
>
> **And that** PBS-2019-24 **be submitted** to the Province through the Environmental Registry of Ontario as comments from the Town of Tecumseh on Draft Bill 108 Proposed Regulations under the *Planning Act* and the *Development Charges Act.*

Background

On June 6, 2019, Bill 108, the *More Homes, More Choice Act* (Bill 108) received Royal Assent by the Province of Ontario. Bill 108 amended 13 pieces of provincial legislation, with the stated goal being to address the shortage of affordable housing in Ontario by finding faster ways to get a mix of housing types built.

In June of 2019, Council received PBS-2019-19, which provided a summary of the changes specifically related to the *Planning Act*, *Local Planning Appeal Tribunal Act* and the *Development Charges Act* and provided a commentary on how the changes may impact the Town of Tecumseh.

Although Bill 108 received Royal Assent on June 6, only portions of the Bill came into force, with the balance to come into force on the day of proclamation. Bill 108 will require the introduction of numerous regulations for implementation.

On June 21, 2019, the Province posted the following three sets of proposed regulations for public comment on the Environmental Registry of Ontario (ERO):

A) Proposed Regulations under the Planning Act, Excluding Community Benefit Charges (CBC) (Closes for comment: August 6, 2019)

B) Proposed Regulations under the Planning Act Pertaining to CBC (Closes for comment: August 21, 2019)

C) Proposed Regulation Changes Pertaining to the Development Charges Act (Closes for comment: August 21, 2019)

These proposed regulations are intended to provide further guidance related to timing and transition of the changes introduced by Bill 108. The Province has indicated that it will be reviewing the feedback with experts and will provide the final regulations by late summer.

The purpose of this report is to summarize the three sets of regulations posted on the ERO and to provide Administrative comments on these regulations for submission and consideration by the Province.

Comments

A) Proposed Regulations Pertaining to the Planning Act, Excluding CBC

1. Transition

Proposed changes to the transition regulation (*O. Reg. 174/16: "Transitional Matters – General"*) would set out rules for planning matters in process at the time certain components of Schedule 12 to Bill 108 are proclaimed. The proposed transition regulation changes would provide certainty regarding the processing and decision-making on planning matters.

Certain changes to the *Planning Act* through Schedule 12 to Bill 108 that are not addressed in the proposed transition regulation would apply immediately upon the coming into force of those changes. The proposed regulation content with respect to transition is described in Attachment 1.

Administrative Comments

There are no planning applications in the Town that would be affected by the *Planning Act* transitional regulations.

2. Additional Residential Unit Requirements and Standards

The *Planning Act* currently requires municipalities to authorize in their official plans and zoning by-laws the use of second residential units in **either** a detached, semi-detached, and row house **or** in ancillary buildings and structures (e.g., above laneway garages or coach houses).

Schedule 12 to Bill 108 includes provisions to require municipalities to authorize in their official plans and zoning by-laws the use of an additional residential unit in **both** a detached, semi-detached, and row houses **and** in an ancillary building or structure (e.g., above laneway garages or coach houses).

Attachment 1 contains additional detail on how the removal of barriers would be facilitated.

Administrative Comments

These regulations help to clarify the Province's approach to encouraging intensification through the removal of barriers to the addition of second units in existing residential areas. It should be noted that the Town may continue to determine appropriate locations for the introduction of second units on the basis of servicing capacity. However, given the potential for an increased level of intensification (i.e. a second unit in both the dwelling and ancillary structure), it may become more difficult to identify suitable areas for intensification on this basis. Accordingly, this may have the unintended consequence of limiting the number of areas where this level of intensification may be achieved.

3. Housekeeping regulatory changes

Regulations under the *Planning Act* currently provide for requirements on how to give notice for various matters, including when a municipality is required to notify the public of subdivision applications and when it intends to establish a time-frame for non-decision appeals for official plans/amendments. Attachment 1 outlines the housekeeping changes needed to correct for the now-redundant notice provisions.

Administrative Comments

These housekeeping changes do not present any significant implications to the Town with respect to its current Plan of Subdivision and Official Plan amendment processes.

B) Proposed Regulations Under the Planning Act Pertaining to Community Benefit Charges

Schedule 12 of the Act would, upon proclamation, make amendments to the *Planning Act* to provide the authority for municipalities to charge for community benefits in order to fund a range of capital infrastructure for community services that would benefit new development.

1. Transition

Schedule 12 provides transitional provisions for section 37, and section 42 under the *Planning Act*, and development charges for discounted services (soft services) under the *Development Charges Act* to provide the flexibility necessary for municipalities to migrate to the community benefits charge authority. It should be noted that municipalities are not mandated to collect a CBC, however if they were not collected, it would result in a loss of revenue stream that would need to be offset by the general levy.

An amendment to the *Development Charges Act, 1997* provides for a date to be prescribed in regulation that would effectively establish a deadline as to when municipalities must transition to the community benefits authority if they wish to collect for the capital costs of community benefits from new development. Beyond the date prescribed in regulation:

i) Municipalities would generally no longer be able to collect development charges for discounted services;

ii) Municipalities would generally no longer be able to pass by-laws to collect funds under section 37 of the *Planning Act.* Section 37 is often referred as the "Bonusing" section of the Act because it provides municipalities the option of passing a by-law to authorize increases in height and density of development in return for facilities, service or other matters (i.e. monetary contributions).

It is proposed that the specified date for municipalities to transition to community benefits is January 1, 2021.

Administrative Comments

A study will have to be undertaken in order to get a CBC By-law in place prior to the January 1, 2021 deadline when by-laws governing soft services expire. This study will require additional budget considerations in 2020 and will require the allocation of staff resources and time.

2. Reporting on community benefit charges collected

The amendments to the *Planning Act* in Schedule 12 provides for municipalities that pass a community benefits by-law to provide the reports and information that may be prescribed in the regulation to persons prescribed in regulation, as outlined in Attachment 2.

Administrative Comments

Reporting protocols will need to be established necessitating the allocation of staff resources and time.

3. Reporting on parkland cash-in-lieu fees collected

The amendments to the *Planning Act* in Schedule 12 provides that municipalities may continue using the current basic parkland provisions of the *Planning Act* if they are not collecting community benefits charges. Municipalities with parkland special accounts will be required to provide the reports and information that may be prescribed in the regulation to persons prescribed in regulation, as outlined in Attachment 2.

Administrative Comments

Reporting protocols will need to be established necessitating the allocation of staff resources and time.

4. Exemptions from community benefits charges

To help reduce the costs to build certain types of development that are in high demand, amendments to the *Planning Act* in Schedule 12 provides for the Minister to prescribe such types of development or redevelopment in respect of which a community benefits charge cannot be imposed. Attachment 2 provides the list of exemptions, which includes uses such as retirement homes, non-profit housing and hospices all of which are currently subject to development charges.

Administrative Comments

Currently, the *Development Charges Act* allows the Town to collect a "soft service charge" for the proposed exempted uses. Accordingly, given that a soft service charge will no longer be collectible under the *Development Charges Act*, and the noted uses are exempt from paying a community development charge under the *Planning Act*, there will be a funding shortfall. As a point of reference, approximately 20 percent of the Town's Development Charge is allocated for soft services. It should also be noted that the terms for the types of developments to be exempted are not defined. These terms should be defined in the regulations to ensure clarity and consistent application Province-wide. This would assist in the development and administration of the CBC By-law.

5. Community benefits charges formula

The amendments to the *Planning Act* in Schedule 12 provides the authority for municipalities to charge for community benefits to fund a range of soft capital infrastructure for community services needed because of new development.

This capital infrastructure for soft community services could include libraries, parkland, daycare facilities and recreation facilities.

For any particular development, the community benefits charge payable shall not exceed the amount determined by a formula involving the application of a prescribed percentage to the value of the development land. The value of land that is used is the value on the day before the building permit is issued to account for the necessary zoning to accommodate the development (see Attachment 2).

Administrative Comments

Administration is unable to determine an association between long term identified soft services needs and the valuation of land. It is therefore not possible to provide feedback on what would be deemed to be an appropriate percentage at this time. It would seem more appropriate that the determination of a percentage and the related formula would be considered concurrently and with a more robust municipal engagement process.

6. Appraisals for community benefits charges

The amendments to the *Planning Act* in Schedule 12 allow for the owner of land proposing to develop a site to provide the municipality with an appraisal of the site if they are of the view that the community benefits charge exceeds what is legislatively permitted. Similarly, a

municipality can also provide the owner of land with an appraisal if it is of the view that the owner of the land's appraisal is inaccurate. If both appraisals differ by more than 5 percent, a third appraisal is prepared. Attachment 2 outlines how this would work.

Administrative Comments

Again, it is noted that Administration is unable to determine an association between long term identified soft services needs and the valuation of land. In addition, the proposed regulations invite disputes over appraisal values, which, in turn, will involve the Town incurring additional costs and allocation of staff time. Further, depending on the number and complexity of these appraisal disputes, and the availability of local appraisers, the proposed timelines may not be sufficient.

7. Excluded services for community benefits charges

Amendments to the *Planning Act* in Schedule 12 provides that community benefits charges cannot be imposed for facilities, services or matters associated with services eligible for collection under the *Development Charges Act, 1997*. It also provides for the province to prescribe facilities, services or matters in respect of which community benefit charges cannot be imposed. The list of proposed facilities and services prescribed (see Attachment 2) is consistent with ineligible services under the *Development Charges Act.*

Administrative Comments

Given that these services are currently ineligible under the *Development Charges Act*, the proposed regulation has no impact on the Town.

C) Proposed Regulation Changes Pertaining to the *Development Charges Act* (DCA)

1. Transition

The amendments in Schedule 12 would, upon proclamation, provide transitional provisions for section 37, and section 42 under the *Planning Act*, and in Schedule 3 of the Act provide transitional provisions for development charges for discounted services (soft services) under the *Development Charges Act* to provide for the flexibility necessary for municipalities to migrate to the community benefits charge authority.

Municipalities would be able to transition to the community benefits charge authority once the legislative provisions come into force (as will be set out in proclamation). It is proposed that the legislative provisions related to community benefits charges would come into force on January 1, 2020 and allow for a transition period of one year.

An amendment to the *Development Charges Act, 1997* provides for a date to be prescribed in regulation that would effectively establish a deadline as to when municipalities must transition to the community benefits authority if they wish to collect for the capital costs of community benefits from new development (unless a municipality will only collect parkland).

The Minister proposes that the specified date for municipalities to transition to community benefits is January 1, 2021. From this date forward, municipalities would generally no longer be able to collect development charges for discounted services.

Administrative Comments

A study will have to be undertaken in order to get a CBC By-law in place prior to the January 1, 2021 deadline when DC By-laws governing soft services expire. This study will require additional budget considerations in 2020 and will require the allocation of staff resources and time.

2. Scope of types of development subject to development charges deferral

The province recognizes that development charges are one of the many demands on cashflow for new development. Mandating the deferral of development charge alleviates some pressure on cashflow which could increase the likelihood of riskier, cost-sensitive housing projects, such as purpose-built rentals proceeding. As such, amendments to the *Development Charges Ac*t will provide for the deferral of development charges for rental housing development; non-profit housing development; institutional development; industrial development; and commercial development until occupancy.

The proposed regulatory change provides further detail concerning what constitutes rental housing; non-profit housing; institutional development; industrial development; and commercial development, as outlined in Attachment 3.

Administrative Comments

If the stated purpose of the legislation is to alleviate some pressure on cashflow in order to increase the likelihood of riskier, cost-sensitive housing projects, then it is recommended that non-residential uses be very scoped or excluded from these deferrals. The proposed regulations instead allow for payment deferrals for a broad range of institutional, industrial and commercial uses. The ability to defer these payments will require the implementation of Administrative procedures/tracking that are not currently in place and will therefore involve additional staff time and resources. Further, deferring payments will have an impact on the timing of the DC collection relative to when the Town needs to fund services.

3. Period of time for which the development charge freeze would be in place

In order to provide greater certainty of costs to developers, amendments to the *Development Charges Act* made by Schedule 3 would, upon proclamation, provide that the amount of a development charge would be set at the time council receives the site plan application for a development. If a site plan is not submitted, the amount would be set at the time council receives the application for a zoning amendment. The status quo would apply for developments requiring neither of these applications.

The proposed regulatory change would establish the period in which the development charge rate freeze will be in place.

The Minister is proposing that the development charge rate 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.

Administrative Comments

This proposed regulation will require the implementation of Administrative procedures/tracking that are not currently in place and will therefore involve additional staff time and resources. These enhanced and more complex procedures/tracking methods may also increase the potential for Administrative error. In addition, given the Town is able to apply interest on funds owing (at a maximum interest rate that the Ministry is proposing may be determined at the sole discretion of the Town), it is difficult to understand the benefit of the freeze to the development community or the additional cost to the Town.

4. Interest rate during deferral and freeze of development charges

Amendments to the *Development Charges Act* in Schedule 3 would, upon proclamation, provide for municipalities to charge interest on development charges payable during the deferral. It also provides for municipalities to charge interest during the development charge 'freeze' from the date the applicable application is received, to the date the development charge is payable. In both cases, the interest cannot be charged at a rate above a prescribed maximum rate, however the Minister is not proposing a prescribed rate at this time. In other words, this may in fact come into play in the future, which could adversely affect the Town.

Administrative Comments

See comments on item 3 above.

5. Additional dwelling units

In order to reduce development costs and increase housing supply the *Development Charges Act* as amended by Schedule 3 would, upon proclamation, provide that:

i) the creation of an additional dwelling in prescribed classes of residential buildings and ancillary structures does not trigger a development charge; and

ii) the creation of a second dwelling unit in prescribed classes of new residential buildings, including ancillary structures, is exempt from development charges.

Additional detail is contained in Attachment 3.

Administrative Comments

Staff believes this measure will reduce development charge collections over time, however, the extent of the amount is difficult to predict.

Consultations

Financial Services

Financial Implications

It is anticipated that the consolidation of community infrastructure development charges and the *Planning Act* cash-in-lieu provisions to the new Community Benefit Charge provisions where the rates are fixed, could impact the ability to fund the Town's existing 10-year capital program for community infrastructure and negatively affect debt levels. Once the full impacts are known, the proposed capital program may require further scope changes or deferrals to community infrastructure capital projects in order to minimize the impacts on existing ratepayers.

In addition, further costs are expected to be incurred by the Town in relation to changes to Administrative tasks required to implement some of the Bill 108 changes, particularly as it relates to deferred DC payments.

Link to Strategic Priorities

Applicable	2019-22 Strategic Priorities
☐	Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
☐	Ensure that Tecumseh's current and future growth is built upon the principles of sustainability and strategic decision-making.
☐	Integrate the principles of health and wellness into all of Tecumseh's plans and priorities.
☐	Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses.
☐	Demonstrate the Town's leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.

Communications

Not applicable ☒

Website ☐ Social Media ☐ News Release ☐ Local Newspaper ☐

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Chad Jeffery, MA, MCIP, RPP
Manager Planning Services

Reviewed by:

Tom Kitsos, CPA, CMA, BComm
Director Financial Services & Chief Financial Officer

Reviewed by:

Brian Hillman, MA, MCIP, RPP
Director Planning & Building Services

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	**Attachment Name**
1	Regulations Pertaining to the *Planning Act*
2	Regulations Pertaining to the Community Benefits Charges
3	Regulations Pertaining to the *Development Charges Act*

Proposed Regulations Pertaining to the *Planning Act*, Excluding Community Benefits Charges

1. Transition

The regulation proposes that the following changes which are part of Schedule 12 to Bill 108 be transitioned as follows:

i) Expanding the grounds of appeal of a decision on an official plan/amendment or zoning by-law/amendment and allowing the Local Planning Appeal Tribunal to make any land use planning decision the municipality or approval authority could have made would apply to:

- appeals of decisions that have not yet been scheduled for a hearing by the Local Planning Appeal Tribunal regarding the merits of the matter before the Tribunal

ii) Expanding the grounds of appeal of a lack of decision on an official plan/amendment or zoning by-law amendment and allowing the Local Planning Appeal Tribunal to make any land use planning decision the municipality or approval authority could have made would apply to:

- appeals of the failure of an approval authority or municipality to make a decision within the legislated timeline that have not yet been scheduled for a hearing by the Local Planning Appeal Tribunal regarding the merits of the matter before the Tribunal

iii) The removal of appeals other than by key participants (e.g. the province, municipality, applicant) and the reduction of approval authority decision timelines for non-decisions of official plan/amendments would apply where the approval authority has not issued a notice of decision at the time the proposed changes come into force.

iv) The removal of appeals other than by key participants (e.g. the province, municipality, applicant, utility companies, etc.) for draft plan of subdivision approvals, conditions of draft plan of subdivision approvals or changes to those conditions would apply where:

- the notice of the decision to draft approve or change conditions is given, or

- conditions are appealed other than at the time of draft approval.

on or after the day the proposed changes come into force (e.g., appeals made during appeal periods that begin once the proposed changes come into force)

v) The reduction for decision timelines on applications for official plan amendments (120 days), zoning by-law amendments (90 days, except where concurrent with official plan amendment for some proposals) and plans of subdivision (120 days) would apply to complete applications submitted after Royal Assent.

2. Additional Residential Unit Requirements and Standards

A regulation is proposed under s. 35.1(2)(b) of the *Planning Act* setting out requirements and standards to remove barriers to the establishment of additional residential units, as follows:

i) One parking space for each of the additional residential units which may be provided through tandem parking;

ii) Where a municipal zoning by-law requires no parking spaces for the primary residential unit, no parking spaces would be required for the additional residential units;

iii) Where a municipal zoning by-law is passed that sets a parking standard lower than a standard of one parking space for each of the additional residential units, the municipal zoning by-law parking standard would prevail;

iv) “Tandem parking” would be defined as a parking space that is only accessed by passing through another parking space from a street, lane or driveway;

v) An additional residential unit, where permitted in the zoning by-law, may be occupied by any person in accordance with s. 35(2) of the *Planning Act*, and, for greater clarity, regardless of whether the primary unit is occupied by the owner of the property, and

vi) An additional residential unit, where permitted in the zoning by-law, would be permitted without regard to the date of construction of the primary or ancillary building.

3. Housekeeping regulatory changes

As Schedule 12 to Bill 108 provides for the removal of provisions in the *Planning Act* for second notice of subdivision applications and provisions for some non-decision appeals for official plans/amendments, housekeeping changes are required in O. Reg. 544/06 “Plans of Subdivision” and O. Reg. 543/06 “Official Plans and Plan Amendments” to remove the redundant notice of a subdivision application and the notice requirements for non-decision appeals, which would no longer be necessary.

Proposed Regulations Under the *Planning Act* Pertaining to Community Benefit Charges

1. Transition

Schedule 12 provides transitional provisions for section 37, and section 42 under the *Planning Act*, and development charges for discounted services (soft services) under the *Development Charges Act* to provide the flexibility necessary for municipalities to migrate to the community benefits charge authority.

An amendment to the *Development Charges Act, 1997* provides for a date to be prescribed in regulation that would effectively establish a deadline as to when municipalities must transition to the community benefits authority if they wish to collect for the capital costs of community benefits from new development. Beyond the date prescribed in regulation:

i) Municipalities would generally no longer be able to collect development charges for discounted services;

ii) Municipalities would generally no longer be able to pass by-laws to collect funds under section 37 of the *Planning Act*

It is proposed that the specified date for municipalities to transition to community benefits is January 1, 2021.

2. Reporting on community benefit charges collected

In order to ensure that community benefit charges are collected and spent on community benefits in a transparent manner, and for greater accountability, the Minister is proposing to prescribe reporting requirements that are similar to existing reporting requirements for development charges and parkland under section 42 of the *Planning Act*.

Municipalities would be required annually to prepare a report for the preceding year that would provide information about the amounts in the community benefits charge special account, such as:

i) Opening and closing balances of the special account;

ii) A description of the services funded through the special account;

iii) Details on amounts allocated during the year;

iv) The amount of any money borrowed from the special account, and the purpose for which it was borrowed; and

v) The amount of interest accrued on money borrowed.

3. Reporting on parkland cash-in-lieu fees collected

In order to ensure that cash-in-lieu of parkland is collected and used in a transparent manner, the Minister is proposing to prescribe reporting requirements for parkland.

Municipalities would be required annually to prepare a report for the preceding year that would provide information about the amounts in the special account, such as:

i) Opening and closing balances of the special account;

ii) A description of land and machinery acquired with funds from the special account;

iii) Details on amounts allocated during the year;

iv) The amount of any money borrowed from the special account, and the purpose for which it was borrowed; and

v) The amount of interest accrued on money borrowed.

4. Exemptions from community benefits charges

The Minister is proposing that the following types of developments be exempt from charges for community benefits under the *Planning Act*:

i) Long-term care homes;

ii) Retirement homes;

iii) Universities and colleges;

iv) Memorial homes, clubhouses or athletic grounds of the Royal Canadian Legion;

v) Hospices; and

vi) Non-profit housing.

5. Community benefits charges formula

It is proposed that a range of percentages will be prescribed to take into account varying values of land.

In determining the prescribed percentages, there are two goals.

i) Firstly, to ensure that municipal revenues historically collected from development charges for “soft services”, parkland dedication including the alternative rate, and density bonusing are maintained; and

ii) Secondly, to make costs of development more predictable.

This Ministry is not providing prescribed percentages at this time. However, the Ministry would welcome feedback related to the determination of these percentages. There will be further consultation on the proposed formula in late summer.

6. Appraisals for community benefits

The Minister is proposing the following:

i) If the owner of land is of the view that the amount of a community benefits charge exceeds the amount legislatively permitted and pays the charge under protest, the owner has 30 days to provide the municipality with an appraisal of the value of land;

ii) If the municipality disputes the value of the land in the appraisal provided by the owner, the municipality has 45 days to provide the owner with an appraisal of the value of the land;

iii) If the municipality's appraisal differs by more than 5 percent from appraisal provided by the owner of the land, the owner can select an appraiser from the municipal list of appraisers, that appraiser's appraisal must be provided within 60 days.

7. Excluded services for community benefits charges

The Minister is proposing to prescribe that the following facilities, services or matters be excluded from community benefits charges:

i) Cultural or entertainment facilities

ii) Tourism facilities

iii) Hospitals

iv) Landfill sites and services

v) Facilities for the thermal treatment of waste

vi) Headquarters for the general administration of municipalities and local boards

This would be consistent with the ineligible services list currently found under the *Development Charges Act*.

Proposed Regulation Changes Pertaining to the *Development Charges Act* (DCA)

1. Transition

The Minister proposes 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.

2. Scope of types of development subject to development charges deferral

The Minister proposes that the types of developments proposed for development charge deferrals be defined as follows:

i) "Rental housing development" means construction, erection or placing of one or more buildings or structures for or the making of an addition or alteration to a building or structure for residential purposes with four or more self-contained units that are intended for use as rented residential premises;

ii) "Non-profit housing development" means the construction, erection or placing of one or more buildings or structures for or the making of an addition or alteration to a building or structure for residential purposes by a non-profit corporation.

iii) "Institutional development" means the construction, erection or placing of one or more buildings or structures for or the making of an addition or alteration to a building or structure for:

- long-term care homes;
- retirement homes;
- universities and colleges;
- memorial homes; clubhouses; or athletic grounds of the Royal Canadian Legion; and
- hospices

iv) "Industrial development" means the construction, erection or placing of one or more buildings or structures for or the making of an addition or alteration to a building or structure for:

- manufacturing, producing or processing anything,

- research or development in connection with manufacturing, producing or processing anything,

- storage, by a manufacturer, producer or processor, of anything used or produced in such manufacturing, production or processing if the storage is at the site where the manufacturing, production or processing takes place, or

- retail sales by a manufacturer, producer or processor of anything produced in manufacturing, production or processing, if the retail sales are at the site where the manufacturing, production or processing takes place.

v) "Commercial development" means the construction, erection or placing of one or more buildings or structures for or the making of an addition or alteration to a building or structure for:

- office buildings as defined under subsection 12(3) in *Ontario Regulation 282/98* under the *Assessment Act*; and

- shopping centres as defined under subsection 11(3) in *Ontario Regulation 282/98* under the *Assessment Act*.

3. Period of time for which the development charge freeze would be in place

The Minister is proposing that the development charge rate 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.

4. Interest rate during deferral and freeze of development charges

The Minister is not proposing to prescribe a maximum interest rate that may be charged on development charge amounts that are deferred or on development charges that are frozen.

5. Additional dwelling units

The existing *O. Reg. 82/98* prescribes existing single detached dwellings, semi-detached/row dwellings and other residential buildings as buildings in which additional residential units can be created without triggering a development charge and rules related to the maximum number of additional units and other restrictions. It is proposed that this regulation be amended so that units could also be created within ancillary structures to these existing dwellings without triggering a development charge (subject to the same rules/restrictions).

It is also 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.

It is also proposed that within other existing residential buildings, the creation of additional units comprising 1% of existing units would be exempt from development charges.