

Bill 108: Proposed Changes Development Charges Act Community Benefits Charges

Council

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Agenda

1. Background
2. General Comments
3. Positive Changes
4. Possible Challenges
5. ERO Submission
6. Next Steps

Background

- On February 28, 2020, MMAH released proposed regulations pertaining to the Community Benefits Authority
- Regulatory proposals relate to the *Development Charges Act* and the *Planning Act* (Community Benefits Charges)
- Information sent via the Environmental Registry of Ontario (ERO 019-1406); inviting comments until March 30, 2020

Background

- Reminder that Bill 108, as it relates to the *Development Charges Act* was proclaimed on January 1, 2020
- This release focuses on proposed CBC-related regulations under the *Planning Act*
- Proposals also cover additional changes to the *Development Charges Act*

General Comments

- Most of the proposed regulations and amendments to existing Acts appear to have a positive impact on the Town's ability to finance growth
- There will be additional analysis by the municipal sector around implications

Positive Proposals

- “Soft services” costs can be recovered through development charges at 100% (vs. 90%)
- These include:
 - recreation centres and arenas
 - libraries and associated collections
 - park development requirements (playground equipment and splash pads but not land acquisition)

Positive Proposals

- As noted below, the additional 10% on major soft service projects can represent a significant amount

2017 DC Study - Recreation & Parks		
(\$million's)	Existing	Proposed
Gross Capital Cost	\$ 103.1	\$ 103.1
Post period benefit	(48.4)	(48.4)
Benefit to existing	(6.0)	(6.0)
10% discount	(2.9)	-
Net DC Recoverable	\$ 45.8	\$ 48.7
Service standard	49.0	49.0

Note: 100% cost-recovery may be reduced by the historic service level cap and current/post-period benefits

Positive Proposals

- Earlier proposal recommended that “soft services” be funded through CBCs based on a set percentage of land value
- DCs preferred over CBCs:
 - methodology is clear and well rationalized
 - financial planning can be more precise
 - collection process is established (not potentially delayed by land valuation challenges)

Challenging Proposals- Parkland

- Municipalities currently acquire parkland through:
 - Parkland dedication (e.g., sub-division agreements- primarily low density residential)
 - Cash-in-lieu (e.g., site plans - commercial & industrial, medium & high density)
- Planning Act currently permits the following CIL calculations:
 - 2% commercial/industrial
 - 5% low density residential
 - Alternate rate for medium/high density residential- \$11,000 cap with a Parkland Dedication Bylaw
- New CBC legislation proposes to:
 - Remove option for parkland dedication bylaw

Challenging Proposals- Parkland

- Under the CBC, funds collected for parkland are based on a capped percentage of **land value** not prescribed **land areas** (10% for lower tier, 5% for upper tier municipalities)
- Not certain if the percentage sufficient; land value is subject to market fluctuations
- Not known what the land valuation encompasses (is it all table lands or only developable lands?)

Challenging Proposals- Parkland

Important to Note:

- The CBC methodology for parkland would not be better than what we have under the Town's current parkland dedication by-law
- However, the base dedication rates in the *Planning Act*, would yield less than the CBC
- **CBCs may be the better choice for parkland** compared to the rates in the Planning Act **pending a better understanding of the land valuation model**

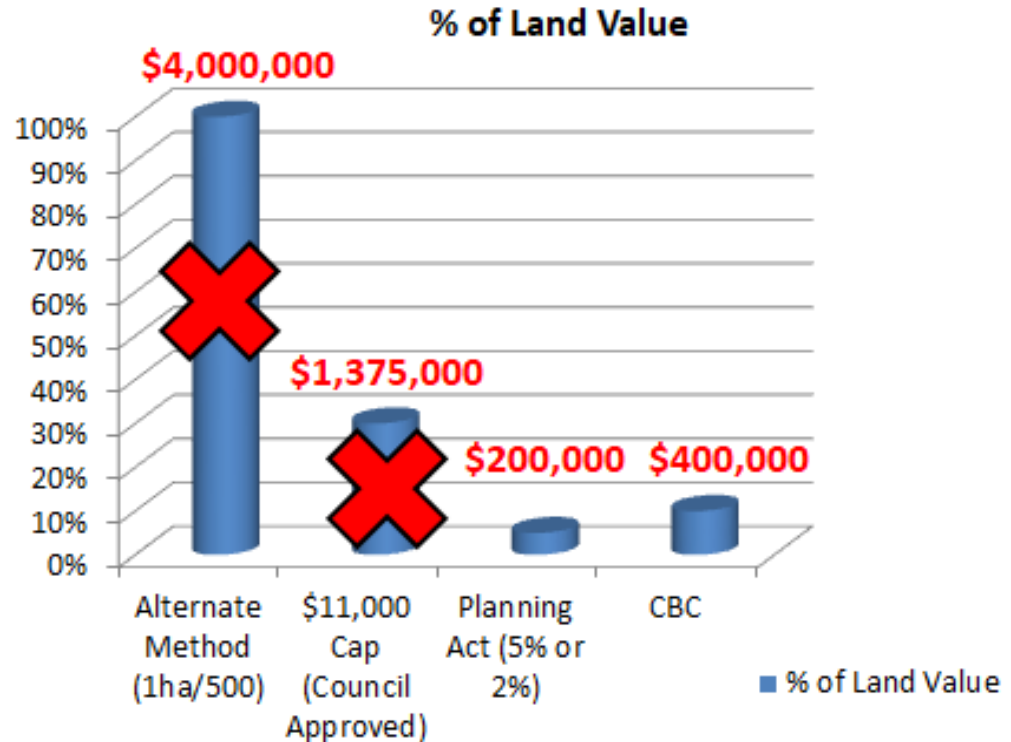
Challenging Proposals- Parkland

Site Plans – Cash-in-Lieu



Example:

- 125 HD Units
- Land Value \$4.0 million
- Site Area 0.3ha



ERO Submission Questions

- Methodology - valuation of land
- Limitations on use of CBCs
- One year time frame – flexibility? Or testing period?

Next Steps

- Public consultation closes on March 30, 2020
- In interim, will continue to consult with municipal partners and other experts in field
- More fulsome report to Community and Corporate Affairs on March 23, 2020
- Submit Council input to MMAH by March 30, 2020