



The Corporation of the Town of Milton

Report To:	Council
From:	Glen Cowan, Chief Financial Officer/Treasurer
	Jill Hogan, Director, Planning Policy & Urban Design
Date:	July 22, 2019
Report No:	CORS-047-19
Subject:	Legislative Update: Bill 108: More Homes, More Choice Act, 2019
Recommendation:	<p>THAT staff be authorized to make submissions to the Province of Ontario on the Environmental Registry of Ontario (ERO) postings as outlined in Report CORS-047-19;</p> <p>AND THAT staff be authorized to prepare additional submissions regarding Bill 108: More Homes, More Choice Act, 2019, as they deem necessary.</p>

EXECUTIVE SUMMARY

- On May 27, 2019, Council approved a formal submission on Bill 108: More Homes, More Choice Act, 2019 requesting the Province to halt the legislative advancement of the Bill
- On June 6, 2019, Bill 108, with minor amendments to the initial version from First Reading, received Royal Assent
- Staff are seeking authority to prepare, on behalf of the Town, formal submissions, as required, with respect to Bill 108 and its associated regulatory changes

REPORT

Background

In the 2018 Fall Economic Statement, the Ministry of Municipal Affairs and Housing announced a consultation process on the Housing Supply Action Plan aimed at increasing housing supply by addressing barriers that inhibit the development of ownership and rental housing. Consultation ended on January 25, 2019 and on May 2, 2019, Bill 108: *More Homes, More Choice Act, 2019*, received First Reading. Comments on the *Act*, that impacts 15 different Acts, including the *Development Charges Act*, the *Planning Act* and the *Ontario Heritage Act*, were accepted by the Province until June 1, 2019. The Town, through report CORS-035-19, requested the Province to halt the legislative advancement of Bill 108 to enable a fulsome consultation with municipalities. Bill 108, with some minor



The Corporation of the Town of Milton

Background

amendments to the First Reading, received Royal Assent on June 6, 2019. On June 21, 2019, through the Environmental Registry of Ontario (ERO), several proposed regulations related to Bill 108 were posted for comment. The comment period for the posting related to Schedule 12 of Bill 108 on the *Planning Act* closes on August 6, 2019 while the comment period for the postings pertaining to the community benefits authority under the *Planning Act* and to Schedule 3 of Bill 103 relating to O. Reg 82/98 under the *Development Charges Act* closes on August 21, 2019.

Discussion

As presented through report CORS-035-19, Bill 108 has significant implications for Milton in the management and financing of growth and development. Many of the key changes in the legislation have been identified to be prescribed through future regulations including:

- Transition timelines
- Exempt developments and services excluded from the community benefits charge
- Definition of types of development subject to development charge deferrals and the timeframes for the freezing of development charge rates
- Community benefits charge formula

The Province has indicated there will be opportunities for municipalities to provide input on the necessary regulatory changes over the coming months through both postings through the Environmental Registry Office (ERO) and through a technical working group. Commencing June 21, 2019, through the ERO, the Province is seeking input into several proposed regulations under the following postings:

1. ERO 019-0181: Proposed new regulation and regulation changes under the Planning Act, including transition matters, related to Schedule 12 of Bill 108 - the More Homes, More Choice Act, 2019
2. ERO 019-0183: Proposed new regulation pertaining to the community benefits authority under the Planning Act
3. ERO 019-0184: Proposed changes to O. Reg. 82/98 under the Development Charges Act related to Schedule 3 of Bill 108 - More Homes, More Choice Act, 2019

A copy of the ERO postings is included in Appendices A-C. The deadline for submissions is August 6, 2019 for ERO 019-0181 and August 21, 2019 for both ERO 019-0183 and ERO 019-0184.



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Discussion

Further municipal engagement with respect to the development of the proposed regulation for the new community benefit charge authority will follow and is expected to include the formation of a technical working group.

Staff continue to review the details of Bill 108 and the proposed regulations and are seeking delegated authority through this report to prepare and submit formal responses to the current ERO postings related to Bill 108 as well as any additional submissions regarding Bill 108, as may be necessary. Staff will continue to consult with area municipalities, the Region of Halton, the Association of Municipalities of Ontario (AMO), the Municipal Finance Officers Association (MFOA) and others as beneficial in the development of responses related to Bill 108.

Financial Impact

Bill 108 is expected to have significant financial implications for the Town; however, the full extent of the impacts cannot be quantified with the information currently available. The Province has expressed that the legislative changes from Bill 108 are intended to maintain municipalities' historical revenues from density bonusing, parkland dedication and development charges for discounted services through the new community benefit charge authority. A key component of ensuring revenue neutrality will be the establishment of the maximum percentage of the value of land used to calculate the new Community Benefits Charge that will be prescribed through the regulations.

As previously reported, at a minimum, the Town will face increased costs to administer the new legislation, greater financial risk associated with an increased use of debenture financing and volatility in revenues streams due to changes in real estate values as well as increased costs for development charge exemptions on secondary dwelling units.

Respectfully submitted,

Troy McHarg
Commissioner, Corporate Services / Town Clerk

Jill Hogan
Director, Planning Policy & Urban Design

For questions, please contact:	Melanie Wallhouse	Ext. 2314
	Jill Hogan	Ext. 2304

Attachments



The Corporation of the Town of Milton

Appendix A: ERO 019-0181: Proposed new regulation and regulation changes under the Planning Act, including transition matters, related to Schedule 12 of Bill 108 - the More Homes, More Choice Act, 2019

Appendix B: ERO 019-0183: Proposed new regulation pertaining to the community benefits authority under the Planning Act

Appendix C: ERO 019-0184: Proposed changes to O. Reg. 82/98 under the Development Charges Act related to Schedule 3 of Bill 108 - More Homes, More Choice Act, 2019

CAO Approval
Andrew M. Siltala
Acting Chief Administrative Officer

Appendix A



Environmental Registry of Ontario

Proposed new regulation and regulation changes under the Planning Act, including transition matters, related to Schedule 12 of Bill 108 - the More Homes, More Choice Act, 2019

<u>ERO (Environmental Registry of Ontario) number</u>	019-0181
Notice type	Regulation
Act	Planning Act, R.S.O. 1990
Posted by	Ministry of Municipal Affairs and Housing
Notice stage	Proposal
Proposal posted	June 21, 2019
Comment period	June 21, 2019 - August 6, 2019 (46 days) Open
Last updated	June 21, 2019

This consultation closes at 11:59 p.m. on:

August 6, 2019

Proposal summary

We are considering making a new regulation and regulation changes, including transitional matters, under the *Planning Act* which are needed as a result of Schedule 12 to Bill 108 – the *More Homes, More Choice Act, 2019*.

Proposal details

Proposal details

Bill 108 – the *More Homes, More Choice Act, 2019* received Royal Assent on June 6, 2019. Upon proclamation, schedule 12 to Bill 108 would make changes to the *Planning Act* to help increase the supply of housing and streamline development approvals.

Regulatory changes

1. Transition

Proposed changes to the transition regulation (*O. Reg. (Ontario Regulation) 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.

Proposed content

It is proposed that the following changes which are part of Schedule 12 to Bill 108 be transitioned as follows:

- 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
- 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
- The removal of appeals other than by key participants (e.g. (for example) 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.
- The removal of appeals other than by key participants (e.g. (for example) the province, municipality, applicant, utility companies, etc. (et cetera)) 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. (for example), appeals made during appeal periods that begin once the proposed changes come into force)

- 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 proposal) and plans of subdivision (120 days) would apply to complete applications submitted after Royal Assent.

2. Community planning permit system

The community planning permit system is a framework that combines and replaces the individual zoning, site plan and minor variance processes in an identified area with a single application and approval process. *O. Reg. (Ontario Regulation) 173/16 "Community Planning Permits"* outlines the various components that make up the system, including the matters that must be included in the official plan to establish the system, the process that applies to establishing the implementing by-law and the matters that must or may be included in the by-law.

Proposed content

Schedule 12 to Bill 108 includes provisions to remove the ability to appeal the official plan policies required by regulation for the establishment of a community planning permit system when the Minister issues an order to require a local municipality to adopt or establish a system. To further facilitate the implementation of the system, a change is also proposed to the community planning permit regulation that would remove the ability to appeal the implementing by-law. This change would support the streamlining of development approvals in areas where the Minister required a community planning permit system to be established.

3. 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 an ancillary buildings and structures (e.g. (for example), 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. (for example), above laneway garages or coach houses).

Proposed content

A regulation is proposed under s. (section) 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:

- One parking space for each of the additional residential units which may be provided through tandem parking
- 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
- 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
- "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
- 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
- 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.

4. Housekeeping regulatory changes

a. 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.

Proposed content

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. \(Ontario Regulation\) 544/06 "Plans of Subdivision"](#) and [O. Reg. \(Ontario Regulation\) 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.

b. Regulations under the *Planning Act* provide for requirements to implement inclusionary zoning including restrictions and prohibitions on the authority under section 37 (Increased Density) when inclusionary zoning is authorized.

Proposed content

Schedule 12 to Bill 108 provides for section 37 (Increased Density) being replaced by the proposed provisions in respect of a community benefits charge. Housekeeping changes are required to amend [O. Reg. \(Ontario Regulation\) 232/18: "Inclusionary Zoning"](#) to remove the restrictions and prohibitions in respect of the municipal authority under section 37 (Increased Density) with inclusionary zoning.

In considering making a proposed new regulation and changes to existing regulations under the *Planning Act*, the government will continue to safeguard Ontarians' health and safety, support a vibrant agricultural sector, and protect environmentally and culturally sensitive areas, including the Greenbelt.

Supporting materials

Related links

[Planning Act \(https://www.ontario.ca/laws/statute/90p13\)](https://www.ontario.ca/laws/statute/90p13)

[Ontario Regulation 543/06 "Official Plans and Plan Amendments" \(https://www.ontario.ca/laws/regulation/060543\)](https://www.ontario.ca/laws/regulation/060543)

[Ontario Regulation 545/06 "Zoning By-Laws, Holding By-Laws and Interim Control ..." \(https://www.ontario.ca/laws/regulation/060545\)](https://www.ontario.ca/laws/regulation/060545)

[Ontario Regulation 174/16: "Transitional Matters - General" \(https://www.ontario.ca/laws/regulation/160174\)](https://www.ontario.ca/laws/regulation/160174)

[Ontario Regulation 232/18: "Inclusionary Zoning" \(https://www.ontario.ca/laws/regulation/r18232\)](https://www.ontario.ca/laws/regulation/r18232)


[Bill 108 - the More Homes, More Choice Act, 2019 \(https://www.ola.org/en/legislative-business/bills/parliament-42/session-1/bill-108\)](https://www.ola.org/en/legislative-business/bills/parliament-42/session-1/bill-108)

View materials in person

Some supporting materials may not be available online. If this is the case, you can request to view the materials in person.

Get in touch with the office listed below to find out if materials are available.

Provincial Planning Policy Branch
777 Bay Street
13th floor
Toronto, ON
M5G 2E5
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 [877-711-8208](tel:877-711-8208)

Comment

Let us know what you think of our proposal.

Have questions? Get in touch with the contact person below. Please include the [ERO \(Environmental Registry of Ontario\)](#) number for this notice in your email or letter to the contact.

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Provincial Planning Policy Branch
777 Bay Street
13th floor
Toronto, ON
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Connect with us

Contact

Planning Act Review

 [855-776-8011](tel:855-776-8011)

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Appendix B



Environmental Registry of Ontario

Proposed new regulation pertaining to the community benefits authority under the Planning Act

<u>ERO (Environmental Registry of Ontario) number</u>	019-0183
Notice type	Regulation
Act	Planning Act, R.S.O. 1990
Posted by	Ministry of Municipal Affairs and Housing
Notice stage	Proposal
Proposal posted	June 21, 2019
Comment period	June 21, 2019 - August 21, 2019 (61 days) Open
Last updated	June 21, 2019

This consultation closes at 11:59 p.m. on:

August 21, 2019

Proposal summary

A proposal to make a new regulation under the *Planning Act* to prescribe matters related to the community benefits authority and make a consequential amendment to an existing regulation under the Act.

Proposal details

The *More Homes, More Choice Act, 2019* received Royal Assent on June 6, 2019. 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.

There are provisions in Schedule 12 that require additional details to be prescribed by regulation. The following are matters that the province is proposing to prescribe in regulation.

Regulatory changes

1. Transition

The amendments to the *Planning Act* in Schedule 12 of the *More Homes, More Choice Act, 2019* provide 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:

- Municipalities would generally no longer be able to collect development charges for discounted services
- Municipalities would generally no longer be able to pass by-laws to collect funds under section 37 of the *Planning Act*

Proposed content

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

2. Reporting on community benefits

The amendments to the *Planning Act* in Schedule 12 of the *More Homes, More Choice Act, 2019* provide 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.

Proposed content

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:

- Opening and closing balances of the special account
- A description of the services funded through the special account
- Details on amounts allocated during the year
- The amount of any money borrowed from the special account, and the purpose for which it was borrowed
- The amount of interest accrued on money borrowed

3. Reporting on parkland

The amendments to the *Planning Act* in Schedule 12 of the *More Homes, More Choice Act, 2019* provide 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.

Proposed content

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:

- Opening and closing balances of the special account
- A description of land and machinery acquired with funds from the special account
- Details on amounts allocated during the year
- The amount of any money borrowed from the special account, and the purpose for which it was borrowed
- The amount of interest accrued on money borrowed

4. Exemptions from community benefits

To help reduce the costs to build certain types of development that are in high demand, amendments to the *Planning Act* in Schedule 12 of the *More Homes, More Choice Act, 2019* provides for the Minister to prescribe such types of development or redevelopment in respect of which a community benefits charge cannot be imposed.

Proposed content

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

- Long-term care homes
- Retirement homes
- Universities and colleges
- Memorial homes, clubhouses or athletic grounds of the Royal Canadian Legion
- Hospices
- Non-profit housing

5. Community benefits formula

The amendments to the *Planning Act* in Schedule 12 of the *More Homes, More Choice Act, 2019*, provide the authority for municipalities to charge for community benefits at their discretion, to fund a range of capital infrastructure for community services needed because of new development.

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

For any particular development, the community benefits charge payable could 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.

Proposed content

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.

- 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.
- 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 authority to charge for community benefits under the *Planning Act* would enable municipalities, at their discretion, to fund a range of capital infrastructure for community services needed because of new development.

For any particular development, the community benefits charge payable could not exceed an amount determined by a formula involving the application of a prescribed percentage to the value of the development land on the day before the building permit is issued.

The amendments to the *Planning Act* in Schedule 12 of the *More Homes, More Choice Act, 2019* provide for the owner of land proposing to develop a site, to provide the municipality with an appraisal of the site 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.

Proposed content

The Minister is proposing the following:

- 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.
- 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.
- 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

Amendments to the *Planning Act* in Schedule 12 of the *More Homes, More Choice Act, 2019* provide 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.

Proposed content

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

- Cultural or entertainment facilities
- Tourism facilities
- Hospitals
- Landfill sites and services
- Facilities for the thermal treatment of waste
- 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*.

8. Community planning permit system

The community planning permit system is a framework that combines and replaces the individual zoning, site plan and minor variance processes in an identified area with a single application and approval process. *O. Reg. (Ontario Regulation) 173/16 "Community Planning Permits"* outlines the various components that make up the system, including the matters that must be included in the official plan to establish the system, the process that applies to establishing the implementing by-law and the matters that must or may be included in the by-law.

Proposed content

Amendments to the *Planning Act* in the *More Homes, More Choice Act, 2019* establish a new authority for municipalities to levy charges for community benefits to make requirements in this regard more predictable. As the community planning permit system also allows conditions requiring the provision of specified community facilities or services, it is proposed that a community benefits charge by-law would not be available for use in areas within a municipality where a community planning permit system is in effect.

In considering making a proposed new regulation and changes to existing regulations under the *Planning Act*, the government will continue to safeguard Ontarians' health and safety, support a vibrant agricultural sector, and protect environmentally and culturally sensitive areas, including the Greenbelt.

Supporting materials

Related links

[Planning Act \(https://www.ontario.ca/laws/statute/90p13\)](https://www.ontario.ca/laws/statute/90p13)

[Development Charges Act \(https://www.ontario.ca/laws/statute/97d27\)](https://www.ontario.ca/laws/statute/97d27)

[Bill 108, More Homes, More Choice Act, 2019 \(https://www.ola.org/en/legislative-business/bills/parliament-42/session-1/bill-108\)](https://www.ola.org/en/legislative-business/bills/parliament-42/session-1/bill-108)

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Submit by mail

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Connect with us

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Environmental Registry of Ontario

Proposed changes to O. Reg. 82/98 under the Development Charges Act related to Schedule 3 of Bill 108 - More Homes, More Choice Act, 2019

<u>ERO (Environmental Registry of Ontario) number</u>	019-0184
Notice type	Regulation
Posted by	Ministry of Municipal Affairs and Housing
Notice stage	Proposal
Proposal posted	June 21, 2019
Comment period	June 21, 2019 - August 21, 2019 (61 days) Open
Last updated	June 21, 2019

This consultation closes at 11:59 p.m. on:

August 21, 2019

Proposal summary

A proposal to make changes to O. Reg. (Ontario Regulation) 82/98, under the *Development Charge Act, 1997* related to Schedule 3 of the *More Homes, More Choice Act, 2019*.

Proposal details

The *More Homes, More Choice Act, 2019* received Royal Assent on June 6, 2019. Schedule 3 of the Act makes amendments to the *Development Charges Act* to reduce development costs and provide more housing options to help make housing more attainable for the people of Ontario.

There are provisions in the Act that require additional details to be prescribed by regulation. The following are matters that the province is proposing to prescribe in regulation.

Regulatory changes: General

1. Transition

The amendments in Schedule 12 of the *More Homes, More Choice Act, 2019* 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.

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).

Proposed content

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 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 Act* made by Schedule 3 of the *More Homes, More Choice Act, 2019* would, upon proclamation, 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 would provide further detail concerning what constitutes rental housing; non-profit housing; institutional development; industrial development; and commercial development.

Proposed content

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

- “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
- “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.
- “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
- “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.
- “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

In order to provide greater certainty of costs, amendments to the *Development Charges Act* made by Schedule 3 to the *More Homes, More Choice Act, 2019* 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; or if a site plan is not submitted, 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.

Proposed content

In order to encourage development to move to the building permit stage so that housing can get to market faster and provide greater certainty of costs, the Minister is proposing that the development charge 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

Amendments to the *Development Charges Act* in Schedule 3 to the *More Homes, More Choice Act, 2019* 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.

Proposed content

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

In order to reduce development costs and increase housing supply the *Development Charges Act* as amended by Schedule 3 to the *More Homes, More Choice Act, 2019* would, upon proclamation, provide that:

- the creation of additional dwelling in prescribed classes of residential buildings and ancillary structures does not trigger a development charge; and
- the creation of a second dwelling unit in prescribed classes of new residential buildings, including ancillary structures, is exempt from development charges.

Proposed content

The existing *O. Reg. (Ontario Regulation) 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.

Supporting materials

Related links

[Ontario Regulation 82/98 \(https://www.ontario.ca/laws/regulation/980082\)](https://www.ontario.ca/laws/regulation/980082)

[Development Charges Act, 1997 \(https://www.ontario.ca/laws/statute/97d27\)](https://www.ontario.ca/laws/statute/97d27)


[Bill 108 – the More Homes, More Choice Act, 2019 \(https://www.ola.org/en/legislative-business/bills/parliament-42/session-1/bill-108\)](https://www.ola.org/en/legislative-business/bills/parliament-42/session-1/bill-108)

View materials in person

Some supporting materials may not be available online. If this is the case, you can request to view the materials in person.

Get in touch with the office listed below to find out if materials are available.

Municipal Finance Policy Branch
Municipal Affairs and Housing
13th Floor, 777 Bay St.
Toronto , ON
M5G 2E5
Canada

 [416-585-6111](tel:416-585-6111)

Comment

Let us know what you think of our proposal.

Have questions? Get in touch with the contact person below. Please include the [ERO \(Environmental Registry of Ontario\)](#) number for this notice in your email or letter to the contact.

[Read our commenting and privacy policies. \(/page/commenting-privacy\)](#)


Submit by mail

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