

Report To:	Regional Chair and Members of Regional Council
From:	Keshwer Patel, Commissioner, Finance and Regional Treasurer Bob Gray, Commissioner, Legislative and Planning Services and Corporate Counsel
Date:	February 17, 2021
Report No:	FN-04-21/LPS14-21
Re:	2022 Development Charge (DC) Update and Development Charges Advisory Committee Work Plan

## RECOMMENDATION

1. THAT the updated Terms of Reference for the Development Charges Advisory Committee (DCAC), included as Attachment #1 to Report No. FN-04-21/LPS14-21, re: "2022 Development Charge (DC) Update and Development Charges Advisory Committee Work Plan" be approved.
2. THAT the following Members of Regional Council be appointed to the DCAC for a term to begin with the commencement of the DC By-law review process, and to expire upon the release of the DC Background Study to the public, or until successors are appointed:
  - i. \_\_\_\_\_ (Burlington)
  - ii. \_\_\_\_\_ (Halton Hills)
  - iii. \_\_\_\_\_ (Milton)
  - iv. \_\_\_\_\_ (Oakville)
  - v. Gary Carr, Regional Chair

## REPORT

### **Executive Summary**

- Through Report No. FN-02-21/PW-04-21 (Re: Region's 2021/2022 Development Charges (DC) Review), the Region initiated the 2021/2022 DC by-law Update process in order to update the Region's current DC By-law No. 36-17 (Residential and Non-residential Water, Wastewater, Roads and General Services DC for Built Boundary and Greenfield Areas) and the Recovery DC By-law No. 37-17 (Residential Recovery of the Early Payment of Estimated Future Water, Wastewater and Roads DCs for the Recovery DC Area 2012-2021).

- The 2022 DC Update for the DC By-law No. 36-17, as with previous DC By-laws, continues to involve an extensive consultation commencing with the 4 DCAC meetings and continuing with the Public Meeting as well as public reports being posted to the Region's Website as the update proceeds. The DC By-law is scheduled for council consideration in April 2022.
- Council approval is sought for minor updates to the Terms of Reference for the Development Charges Advisory Committee (Attachment #1) and to appoint Members of Council to this Committee.

## **Background**

The current DC By-law No. 36-17 (Residential and Non-residential Water, Wastewater, Roads and General Services DC for Built Boundary and Greenfield Areas) was approved by Council on June 14, 2017, with a September 1, 2017 effective date. Under the legislation, a DC By-law must be updated every 5 years, or sooner, in order to reflect updated growth forecasts and infrastructure costs. Accordingly, the Region has initiated the DC Background Study in 2021 for Regional Council consideration of the by-law passage in 2022 based on the work plan discussed below. As in previous DC By-law updates, there is a comprehensive consultation process planned for the update. This process begins with input from the DCAC and continues with the release of the DC Background Study to the public, at least one public meeting and then final recommendations to Council for approval of the new DC By-law(s).

In order to facilitate the DCAC for the 2022 DC Update process, it is recommended that the existing Terms of Reference (TOR) will remain in place, with minor updates such as removing references to the Administration and Finance Committee and updating the Regional Procedural By-law number.

In addition, in 2021 the Region will update the Recovery DC By-law No. 37-17 (Residential Recovery of the Early Payment of Estimated Future Water, Wastewater and Roads DCs for the Recovery DC Area 2012-2021) which is in place to collect residential DCs to repay the participating owners who had entered into 2008/2009 Allocation Agreements for their early payment of estimated future DCs. The 2008/2009 Allocation Agreement has an ending date of Dec 31, 2021 and includes a provision to extend the recovery date at the discretion of the Treasurer to ensure recovery collection continues beyond the 2008/2009 Agreement ending date. In order to ensure recovery beyond the ending date, this bylaw is scheduled to be approved prior to December 31, 2021, with the Recovery DC Background Study being released in September 2021.

It should be noted that the GO Transit DC By-law No. 159-01, as amended, has been extended through provincial legislation to the end of 2022. An amendment to the by-law may be considered as part of the Region's DC process for the 2022 update, in the interest

of consistency among the Regional DC by-laws with respect to definitions and DC policies.

## **Discussion**

### 2022 DC By-law Update

Through Report No. FN-02-21/PW-04-21 (Re: Region's 2021/2022 Development Charges (DC) Review), in order to update the Region's current DC By-law No. 36-17 and DC By-law No. 37-17 the Region initiated the 2022 DC Update process. This includes the DC Review Process with the DCAC and concludes with the release of the DC Background Study to the public. The public consultation period will begin subsequent to the release of the DC Background Study and conclude with the passing of the DC by-law, as part of the 2022 DC Update Process, as noted in the detailed timeline table below.

As outlined in FN-02-21/PW-04-21, this DC Update Process will be based on the Council approved Best Planning Estimate (BPEs) for the growth forecast assumptions to 2031. It will also include the review of current DC policies as well as incorporating the changes to the *Development Charges Act, 1997* (DCA) which came in 2020.

The Regional Official Plan Update which is currently in progress will help define how the Region grows beyond 2031. As part of the Regional Official Plan Update, BPEs will be forecasted which are necessary for the development of Transportation and Water and Wastewater Master Plans (Masterplans) that support this growth. Given the current stage of the Regional Official Plan Update and the multi-year time frame for the development of the Masterplans, the updated new growth beyond 2031 cannot be accommodated into this DC By-law update. However, once the BPEs are updated with the amendment to the Regional Official Plan, these will be incorporated into the next development charge study update to capture growth to 2051.

The Transportation and Water and Wastewater Master Plans will not be updated for this DC update however, existing infrastructure project costing and phasing to 2031 will be reviewed and updated and transportation and water and wastewater DC technical reports will be prepared.

## **Update to Legislation**

All services, policies and DC calculation requirements must be in compliance with the DCA as recently amended by the Bill 108, *More Choices, More Homes Act, 2019* and its regulations. Bill 108 was enacted by the Province in 2020 and includes the following requirements that will affect the 2022 Regional DC Update:

- Removal of the 10% mandatory deduction for soft services
- Exemption of secondary units in new construction
- Mandated Deferrals
- Timing of DC collection

- Determination of DC rate

## Consultation

The 2022 DC Update Process for By-law No. 36-17 will involve extensive consultation, commencing with the DC Review Process which includes 4 DCAC meetings leading up to the release of the DC Background Study. Subsequent to the DC Background Study release, consultation will continue with the Public Meeting as well as public reports. Development Charges reports and DCAC information will be posted to the Region's Website as the update proceeds. Notice of By-law passing will also be published in local newspapers as required under the DCA.

The table below outlines the detailed timelines of the 2022 DC Update Process. Once the DCAC is in place, the specific meeting dates will be scheduled.

	2022 DC Update Process	Date
DC Review Process	1. Council Approve DCAC Terms of Reference and Council appointments	February 17, 2021
	2. Remaining DCAC member appointments	April-June 2021
	3. Water/Wastewater & Transportation Project Costing and Phasing Review	September, 2021
	4. DCAC Meeting. #1 – Growth Plan and Capital Costs	September, 2021
	5. DCAC – Meeting #2 – DC Calculations/Competitiveness	Sept/Oct, 2021
	6. DCAC – Meeting #3 - DC Policies	October, 2021
	7. DCAC – Meeting #4 - Final Review	October, 2021
	8. DCAC Activity Update Report to Council	December 2021
	9. Release DC Background Study to Public	December, 2021
	10. Public Meeting under the DC Act	February, 2022
	11. Final DC Proposals to Council	March, 2022
	12. Passing of DC By-law(s) by Council	April, 2022

NOTE: Under the DCA:

- The DC Background Study must be available to the public at least 60 days before the By-law is passed and continue to be available until the by-law expires or is repealed (by posting on the municipal website).
- The DC Background Study AND the By-law must be available to the public at least 2 weeks before the first Public Meeting.

### Development Charges Advisory Committee (DCAC)

The goal of the DCAC is to advise and assist the Region with respect to the preparation of the Development Charge (DC) Background Study. The DCAC's Terms of Reference will replace the current Terms of Reference and are provided as Attachment #1. The Terms of Reference include administrative updates such as removing references to the Administration and Finance Committee and updating by-law numbers. The update to the Terms of Reference are minor in nature and do not reflect any changes to the Committee's scope or purpose from the previous term. The DCAC is comprised of 15 members representing developers, builders, business, the Regional Chair, councillors and ratepayers.

The next step after the Terms of Reference are approved and the Council members appointed through this report, is to proceed with the remaining member selections as outlined in the Terms of Reference. This includes advertising to the public for vacancies on the Committee that are not Agency Appointments and selection through an Interview Committee in accordance with the Regional Procedural By-law. Regional Council shall be advised of the names of all Agency Appointments. It is anticipated that the full DCAC will be in place to begin meeting in September 2021.

## FINANCIAL/PROGRAM IMPLICATIONS

There are no financial implications related to this report. The work for the 2022 DC Update will be funded from the Development Charges Study Capital Account (T5219A), Halton Water Master Plan (ID7502), Halton Wastewater Master Plan (ID7517) and Transportation Master Plan (ID5444) which are fully funded from DCs.


Respectfully submitted,



Matthew Buist  
Director, Capital and Development  
Financing



Keshwer Patel  
Commissioner, Finance and Regional  
Treasurer



Jody Johnson  
Director, Legal Services



Bob Gray  
Commissioner, Legislative and Planning  
Services and Corporate Counsel

Approved by



Jane MacCaskill  
Chief Administrative Officer

If you have any questions on the content of this report,  
please contact:

Matthew Buist

Tel. # 7873

Attachments: Attachment #1 - DCAC Terms of Reference