

DATE: June 17, 2024
REPORT NO: T-13-2024
SUBJECT: **Development Charges Update - By-Law Expiry Date**
CONTACT: Donna DeFilippis, Interim CAO and Treasurer

OVERVIEW:

- The Township’s current Development Charge (D.C.) By-law 2019-51 (as amended) is scheduled to expire on July 15, 2024.
- The Township has retained Watson & Associates Economists Ltd to undertake a D.C. background study and prepare a new D.C. By-law in advance of the expiry date noted above.
- Bill 185, which received Royal Assent on June 6, 2024 now allows for the inclusion of studies as an eligible capital cost.
- In order to provide staff with sufficient time to review and determine what studies are appropriate for inclusion in the background study, staff are requesting that the expiry date on the current D.C. By-law be removed.
- It is the intention of staff to provide Council with a new D.C. By-law at the August 12, 2024 Council meeting (which includes all committees).
- Bill 185 has also removed the mandatory phase-in of D.C. rates. The Township has updated its rates accordingly.

RECOMMENDATION:

1. That, Recommendation Report T-13-2024 titled “Development Charges Update - By-Law Expiry Date” dated June 17, 2024, be received; and,
2. That, By-law 2024-42 be approved at the June 24, 2024 Council meeting, which removes the expiry date from the current Development Charge By-law.

ALIGNMENT TO STRATEGIC PLAN:

Theme #2, 4

- **Champion Strategic and Responsible Growth**
- **Advance Organizational Capacity and Effectiveness**

BACKGROUND:

On July 15, 2019, the Township of West Lincoln's Development Charge (D.C.) By-law 2019-51 came into force under the *Development Charges Act*. This By-law was amended via By-law 2022-77. The Township has retained Watson & Associates Economists Ltd. (Watson) to undertake a D.C. background study and prepare a new D.C. By-law in advance of the expiry date of the current By-law (July 15, 2024).

On April 10, 2024, the Province proposed changes to the *Development Charges Act* (D.C.A) under Bill 185: *Cutting Red Tape to Build More Homes Act*. A summary of the changes provided from Bill 185 are outlined below:

- Changes to the definition of eligible capital costs (to include certain studies);
- Removal of the mandatory phase-in of charges;
- Establishing a process for minor amendments to D.C. By-laws (further discussed below);
- A reduction of time for the D.C. rate freeze related to site plan and zoning by-law amendment planning applications; and
- Modernizing public notice requirements.

Section 19 of the D.C.A requires that a municipality must follow sections 10 through 18 of the Act (with necessary modifications) when amending a D.C. By-law. These sections generally require the following:

- Completion of a D.C. background study, including the requirement to post the background study 60 days prior to passage of the D.C. By-law;
- Passage of a D.C. By-law within one year of the completion of the D.C. background study;
- A public meeting, including notice requirements; and
- The ability to appeal the By-law to the OLT.

Bill 185 proposes to allow municipalities to undertake minor amendments to D.C. by-laws for the following purposes without adherence to the requirements noted above:

1. To repeal a provision of the D.C. By-law specifying the date the By-law expires or to amend the provision to extend the expiry date (subject to the 10-year By-law term limitations provided in the D.C.A.);
2. To impose D.C.s to include the costs of studies, including the D.C. background study; and
3. To remove the provisions related to the mandatory phase-in of D.C.s.

Minor amendments related to items 2 and 3 noted above may be undertaken only if the D.C. By-law being amended was passed after November 28, 2022, and before Bill 185 takes effect. Moreover, the amending By-law must be passed within six months of Bill 185 taking effect.

Notice of By-law passage requirements for these minor amending By-laws are similar to the notice requirements in the D.C.A., with the exception of the requirement to

identify the last day for appealing the By-law (as these provisions do not apply).

CURRENT SITUATION:

Bill 185 received Royal Assent on June 6, 2024. As such, these proposed changes are now in force and the Township may undertake minor amendments to the D.C. By-law as provided above.

The Township recently released the D.C. background study and draft By-law on May 13, 2024, in advance of the July 15, 2024 expiry date. Our current Development Charge By-law was not passed between November 28, 2022 and June 6, 2024, which means we are not eligible for the streamlined process for D.C. amendments. In order to update the analysis to incorporate the legislative changes under Bill 185, it is recommended that the Township undertake a minor amendment to the D.C. By-law to repeal the expiry date. This will provide the Township with additional time to undertake the appropriate revisions to the D.C. background study and draft D.C. By-law, while maintaining the ability to collect D.C.s under the current By-law. An amending By-law is attached as **Appendix A**, to this report for Council's consideration. Staff are anticipating that the new D.C. By-law would be passed at the August 12, 2024 Council Meeting.

Under Bill 185, the mandatory phase-in that applied to all By-laws passed after January 1, 2022 has been removed. This will generally apply to municipalities as follows:

- For By-laws passed between January 1, 2022 and November 27, 2022, the phase-in of the charges can be removed with immediate effect.
- For By-laws passed between November 28, 2022 and June 6, 2024 that did not specifically reference the mandatory phase-in within the By-law, the phase-in of the charges can be removed with immediate effect.
- For By-laws passed between November 28, 2022 and June 6, 2024 that did include provisions for the mandatory phase-in of the charge, this policy can be removed through the streamlined amendment process within six months of Bill 185 receiving Royal Assent (i.e., by December 6, 2024).

The Township amended our D.C. By-law effective September 27, 2022. This means that the removal of the mandatory phase-in is effective immediately. Staff have removed the phase-in from its rates and have posted the new rates on the Township website.

FINANCIAL IMPLICATIONS:

Bill 185, which received Royal Assent on June 6, 2024, allows the Township to include the costs of studies in the D.C. Background Study. It is in the best interest of the Township to ensure that the growth related portion of study costs be included in the D.C. Background Study. The resulting D.C. calculated will provide another appropriate funding stream for studies, other than the tax levy.

INTER-DEPARTMENTAL COMMENTS:

This report was discussed with the Senior Management Team of the Township.

CONCLUSION:

Staff is recommending that Council approve the removal of an expiry date from the Township's D.C. By-law, which will allow staff additional time to account for the recent announcement that studies are now an eligible capital cost.

Prepared & Submitted by:

Donna DeFilippis

**Donna DeFilippis, CPA, CA
Interim CAO and Treasurer**

THE CORPORATION OF THE TOWNSHIP OF WEST LINCOLN

BY-LAW NO. 2024-42

A BY-LAW TO AMEND BY-LAW 2019-83 RESPECTING DEVELOPMENT CHARGES FOR THE TOWNSHIP OF WEST LINCOLN, AS AMENDED.

WHEREAS the Township of West Lincoln (the “Township”) enacted By-law 2019-51 pursuant to the *Development Charges Act, 1997*, S.O. 1997, c. 27, as amended (the “Act”), which Act authorizes Council to pass By-laws for the imposition of development charges against land;

AND WHEREAS the Township has enacted amending By-law 2022-77 pursuant to the Act;

AND WHEREAS subsection 2(1) of the Development Charges Act, 1997 (the “Act”), S.O. 1997, c.27, as amended, provides that the council of a municipality may by by-law impose development charges against land to pay for increased capital costs required because of increased needs for services arising from development of the area to which the By-law applies; and

AND WHEREAS Section 19 of the Act provides for amendments to be made to development charges by-laws; and

AND WHEREAS subsection 19(1.3) of the Act permits a municipality to amend a development charges by-law, subject to conditions being met, that do not require the process for by-law amendments under subsection 19(1) of the Act to be followed; and

AND WHEREAS on June 17, 2024, Council approved Report T-13-2024 thereby indicating that it intends to repeal the expiry date of the by-law pursuant to subsection 19(1.1) of the Act.

NOW THEREFORE the Council of the Corporation of the Township of West Lincoln hereby enacts as follows:

1. By-law 2019-51 as amended by By-law 2022-77 is hereby amended as follows:
 - a. Section 15 is repealed.
2. Except as amended by this By-law, all provisions of By-law 2019-51, as amended, are and shall remain in full force and effect.

**READ A FIRST, SECOND AND THIRD
TIME AND FINALLY PASSED
THIS 24th DAY OF JUNE, 2024.**

MAYOR CHERYL GANANN

JUSTIN PAYLOVE, CLERK