CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 28, 2016

Item 34, Report No. 27, of the Committee of the Whole, which was adopted without amendment by the Council of the City of Vaughan on June 28, 2016.

34 BILL 73: *SMART GROWTH FOR OUR COMMUNITIES ACT, 2015*
ALL WARDS

The Committee of the Whole recommends approval of the recommendation contained in the following report of the Deputy City Manager, Planning and Growth Management, the Deputy City Manager, Legal and Human Resources, the Chief Financial Officer & City Treasurer, and the City Clerk, dated June 21, 2016:

Recommendation

The Deputy City Manager, Planning and Growth Management, the Deputy City Manager, Legal and Human Resources, the Chief Financial Officer & City Treasurer, and the City Clerk recommend:

1. That staff provide a further update with recommendations for implementation of the amendments identified in Bill 73, the *Smart Growth for Our Communities Act, 2015*, following the release of the related Regulations.

Contribution to Sustainability

Some of the amendments identified by Bill 73 serve to strengthen environmental protections in legislation such as the *Clean Water Act*, the *Greenbelt Act* and the *Oak Ridges Moraine Conservation Act*. This report speaks to these amendments in further detail below.

Economic Impact

The Bill 73 amendments to the *Planning Act* and the *Development Charges Act, 1997* will result in several financial implications for the City of Vaughan. Some implications may be minor in nature, while others may have more significant impacts to Vaughan's fiscal future. Many of these implications are, however, difficult to estimate at this time and therefore staff have not quantified exact impacts. Once the associated regulations to this new Act are issued, there should be greater clarity around specific financial implications. The amendments in Bill 73 can be grouped in to three types of financial implications for the City: 1) Impacts to Growth Related Capital Revenue, 2) Impacts to User Fee Revenues, and 3) Impacts to Operating Expenditures.

The Growth Related Capital Revenue impacts will predominantly be seen through the amendments to the *Development Charges Act, 1997* and the amendments to the parkland provisions under the *Planning Act*. Overall, the changes to the *Development Charges Act, 1997* will result in a positive economic impact to the City, such as the inclusion of waste diversion as an eligible service and the removal of the 10% discount and new forward looking level of service for transit services. Conversely, the new parkland provisions are viewed as a potential major loss in revenue for the City. As discussed further in this report, the new parkland provisions may equate to an $80 to $100 million loss in revenue from now until build out.

It is still too early to determine, but depending on the final Regulations to Bill 73, there could also be potential negative impacts to city user fees such as Building Permit, Development Planning and Committee of Adjustment Fees. Staff will continue to monitor these issues to ensure the impacts are mitigated where possible.

…/2

Operating Expenditures may also be affected going forward. Once again, it is still too early to be definite, however new full time labour requirements associated with supporting elements of the Bill 73 amendments may need to be considered. For instance, increased use of alternative dispute resolution by the municipality will require additional staff support and, possibly, external support. Staff will monitor these potential impacts and will report back to Council at a later date should any material implications be identified.

Communications Plan

Not applicable.

Purpose

The purpose of this report is to provide an overview of the amendments identified in Bill 73, with staff comments and potential implications. The report is divided into two sections, the first on the amendments to the *Planning Act,* and the second on the amendments to the *Development Charges Act, 1997.* As most of the regulations related to these amendments have yet to be issued, a further report will identify more detailed recommendations for implementation once the regulations are issued.

Background - Analysis and Options

Bill 73, the *Smart Growth for Our Communities Act, 2015*, identifies a significant number of amendments to the Planning Act and the *Development Charges Act, 1997*. Following multiple public workshops, consultation with stakeholders and a public commenting period wherein over 1200 submissions were received, Bill 73 received Royal Assent on December 3, 2015. A portion of the amendments were proclaimed in force as of January 1, 2016. The majority of the amendments will come into force on July 1, 2016. Some new regulations made under the amendments have been issued although more are expected to be issued shortly. The regulations provide additional guidance and details with respect to the implementation of the amendments.

The Ministry of Municipal Affairs and Housing ("MMAH") has stated in correspondence to municipalities that the legislation "provides for enhanced tools and processes for communities and residents to determine how their neighbourhoods grow, and to plan and pay for growth. The legislation aims to help municipalities recover more costs for growth-related infrastructure, give residents more say in how their communities grow, protect and promote greenspaces, enhance transparency and accountability, set clearer rules for land use planning, give municipalities more independence to make local decisions and make it easier to resolve disputes".

These amendments will result in significant change in the planning process and development approval process for the municipality, as well as for the public and applicants. The balance of this report sets out the amendments and the potential implications of the changes. More certainty will be established once the related regulations are issued.

Bill 73 Amendments - *Planning Act*

Committee of Adjustment

Bill 73 will bring some significant changes to the Committee of Adjustment, both with minor variances and consents.

Comments

With variances, the four tests of the *Planning Ac*t for making a decision about a requested variance remains unchanged, but will add two new requirements. In addition to satisfying the four tests, the Committee will also have to be satisfied that any criteria prescribed by regulation are also met. The Province has not yet prescribed these criteria. In addition to any provincial criteria, Bill 73 also provides the opportunity for Council to prescribe their own criteria, through a by-law, that would have to be addressed when considering a variance. It is not recommended to proceed with the development of any municipal criteria until such time as the Province identifies their own.

Another change is seen in a moratorium period for minor variance applications of 2 years where there has been a site specific zoning by-law amendment enacted. Council could, at their discretion, pass a resolution to allow for a variance application to proceed. This resolution could be property-specific, or general in nature.

With respect to consents, Bill 73 will add the potential for Alternative Dispute Resolution (ADR), rather than proceeding to an OMB hearing. Similar to the other planning applications, when ADR is implemented the period of time to send an appeal to the OMB will be extended to 75 days. Participation in ADR is voluntary.

Implications

With the potential for additional minor variance criteria from both the Province and Council, the decision-making process could become more involved, requiring more time to prepare staff reports, more preparation for the Committee of Adjustment meetings and longer meetings. Depending on the criteria, additional information may be required from the applicant when submitting a minor variance application.

Should there be a complete 2-year moratorium for minor variance applications, where there are no Council resolutions to permit variance applications to proceed, the financial implications could be significant. This situation of a complete moratorium could arise in a few years when By-law 1-88 is reviewed, should a new city-wide zoning by-law be enacted. The average number of minor variance applications over a two-tear period is 740 applications, representing application fees of approximately $1.25 million. There would also be a need to reassign staff to other duties.

In the meantime, it is expected that there could be approximately 33 minor variance applications for commercial properties, per year, affected by the moratorium on variances where there has been a site specific zoning by-law amendment. This represents a potential revenue loss of approximately $63,000.00 annually.

Decisions of Councils and Approval Authorities

Bill 73 will add the requirement that the decisions of Council on planning matters, such as official plan amendments and zoning by-law amendment applications and the decisions of the Committee of Adjustment, both for minor variances and consent, include a brief explanation concerning the effect, if any, that any written or oral submission had on the decisions.

Comments

We understand that the basis for these new provisions is the Environmental Bill of Rights which requires that the Environmental Registry provide notice and an explanation of the impact of public input on government decisions. Applying this requirement to the municipal level is highly problematic. Unlike ministerial forms of government, Council or Committee would have to formulate the text of reasons or rationale for their decisions which is a practical impossibility in

most cases. To do so would require Committee or Council to behave like a Court of Appeal, with reasons and dissenting opinions documented.

Implications

For Council decisions on planning matters, our approach to meeting this requirement will be to use standard language in staff reports and recommendations, indicating generally that input was received and heard and a decision rendered. For Committee of Adjustment decisions the standard decisions will have to be updated to permit acknowledgment of any written or oral submission received at the meeting, as decisions are signed by the Committee immediately following the meeting.

Alternative Dispute Resolution

The new amendments allow municipal councils to elect mediation and other ADR techniques to resolve appeals relating to the adoption and approval of official plans, official plan amendments, zoning by-law amendments, plans of subdivision and consents. Upon the filing of a notice of appeal, Council will be required to give notice of its intention to use ADR techniques to all appellants and may invite as many appellants, persons or public bodies that Council considers appropriate to participate. Participation in the dispute resolution will be voluntary, as is the current mediation process before the OMB.

A notice of intention to use dispute resolution in a matter results in an extension of the time in which municipalities are required to forward the application record to the OMB by an additional 60 days (from the current 15 days to 75 days).

Implications

The alternative dispute resolution amendments are silent on several administrative issues. Specifically, there is little guidance as to who leads and bears the cost of the process and whether the extension of time continues to apply if none of the parties elect to participate in the process.

Development Permit System

A development permit system is an alternative to the conventional approval process which enables, through a single application and permit process, approvals for zoning, variances and site plans. Currently, only four municipalities have adopted development permit by-laws: Brampton, Carleton Place, Lake of Bays and Gananoque.

Bill 73 provides that the Lieutenant Governor in Council will have the authority to require a local municipality to adopt a development permit system for prescribed purposes and/or areas. The amendments also authorize upper-tier municipalities to pass by-laws imposing similar requirements on their lower-tier municipalities and authorize the Minister to make an order requiring upper-tier municipalities to pass such by-laws. The amendments also provide for revised terminology, in that development permits may also be referred to as community planning permits.

Appeals to the Ontario Municipal Board

There have been some substantial changes to the appeal provisions of the *Planning Act* in an effort to address issues that have arisen in recent years. They include the following:

i) In the case of a new Official Plan resulting from a municipal comprehensive review or conformity exercise, appeals of the entire Official Plan ("global appeals") are prohibited. Appeals relating to part of a decision or part of an Official Plan are permitted.

ii) The amendments also bar appeals of any part of an Official Plan that:

- Identifies an area as being within the boundary of:
  - Vulnerable Area under the *Clean Water Act, 2006*;
  - The Lake Simcoe watershed under the *Lake Simcoe Protection Act, 2008*;
  - The Greenbelt Area or Protected Countryside under the *Greenbelt Act, 2005*, or specialty crop area under the Greenbelt Plan; or
  - The Oak Ridges Moraine Conservation Plan Area under the *Oak Ridges Moraine Conservation Act, 2001*.
- Identifies forecasted population and employment growth as set out in the Growth Plan that:
  - Is approved under the *Places to Grow Act, 2005*, and
  - Applies to the Greater Golden Horseshoe growth plan area designated in Ontario Regulation 416/05 (Growth Plan Areas) made under that Act.
- In the case of a lower-tier municipality's official plan, identifies forecasted population and employment growth as allocated to the lower-tier municipality in the upper-tier municipality's official plan, but only if the upper-tier municipality's plan has been approved by the Minister; or
- In the case of a lower-tier municipality's official plan, identifies a settlement area boundary, as set out in the upper-tier municipality's official plan, but only if the upper-tier municipality's plan has been approved by the Minister.

iii) Where it is intended to be argued that a decision respecting an Official Plan or Zoning By-law Amendment is inconsistent with a Provincial Policy Statement, conflicts with a Provincial Plan, or fails to conform with the upper-tier official plan, specific issues must be detailed in the Notice of Appeal. Failure to do so may result in the OMB dismissing the appeal.

iv) An approval authority is prohibited from approving an official plan of a lower-tier municipality if the approval authority is of the opinion that the official plan does not conform with an official plan of the upper-tier municipality. This applies even where the adoption of the upper-tier official plan post-dates the adoption of the lower-tier official plan by up to 180 days. The approval authority's decision is not subject to review by the OMB. The appeal period will start to run once the approval authority confirms that the non-conformity is resolved.

v) Currently, there is a right of appeal to the OMB from a failure or refusal by an approval authority to approve all or part of an official plan within 180 days after the day the plan was received by the approval authority. Under Bill 73, the 180 day period may now be extended in the following circumstances:

- In the case of a site specific official plan amendment requested under section 22, the person or public body that made the request may extend the period for up to 90 days by written notice to the approval authority.
- In all other cases, the municipality may extend the period for up to 90 days by written notice to the approval authority.

In both cases, the notice must be given before the expiry of the 180 day period and only one extension is permitted. If both sides give a notice extending the period, the notice that is given first governs. The person, public body, municipality or approval authority that gave or received a notice extending the period may terminate the extension at any

time by another written notice. No notice of an extension or the termination of an extension need be given to any other person or entity.

vi) There is also a new mechanism for municipalities to stop the continued flow of appeals for non-decision. At any time after receiving a Notice of Appeal under subsection 17(40) of the *Planning Act*, a municipality may provide written notice requiring any persons or public bodies wishing to appeal the official plan to do so within 20 days after the notice is given. Where a municipality exercises this right, further appeals are barred following the expiry of that period.

Implications

These amendments were intended to provide some stability in the planning process, addressing the previous lack of deadline for filing certain appeals, as well as to respond to municipalities' concerns about the significant costs incurred through the Official Plan review processes and related appeals. It is hoped that municipalities, especially lower-tiers, will benefit from these amendments as they should see a reduction in appeals. Official Plans of upper-tier municipalities may face greater scrutiny as upper-tier municipalities have gained greater responsibilities in planning for lower-tiers.

The limitation on global appeals is helpful but will not limit appeals to part of an official plan. Additionally, the extension of time for appeals of non-decisions is beneficial if the additional time is used to work through issues with the applicant. Finally, limitations on specific types of appeals serve to strengthen protections identified in various legislation, such as the *Clean Water Act*, *Lake Simcoe Protection Act*, *Greenbelt Act*, *Oak Ridges Moraine Conservation Act* and the *Places to Grow Act*.

Municipal Comprehensive Review

A number of amendments contained in Bill 73 may impact and can be addressed through the City's upcoming Municipal Comprehensive Review ("MCR"). These amendments impact matters respecting global appeals of the City's Official Plan, public notification protocols respecting the various development applications and conformity exercises which are intended to address matters of provincial interest.

i) Provincial Policy and Matters of Interest

a. Amendment No.12 of Bill 73 adds a new matter of provincial interest to Section 2 of *the Act*, requiring Council to have regard to, among other matters, "the promotion of built form that is well-designed, encourages a sense of place, and provides for public spaces that are of high quality, safe, accessible, attractive and vibrant."

Implications

Planning staff will now have to address these matters when evaluating development applications and providing recommendations to Committee and Council. Further, as part of the MCR of the Vaughan Official Plan 2010 ("VOP2010"), staff will ensure that this matter of provincial interest is properly addressed in appropriate Official Plan policies.

b. Amendment No. 14 of Bill 73 amends subsection 3(10) of *the Act* such that the Minister's review of the Provincial Policy Statement shall now take place every 10 years, instead of the previous equisite five-year time frame.

Implications

This will reduce the number of conformity exercises the City must undertake to ensure consistency between the Vaughan Official Plan and the Provincial Policy Statement.

c. Subsection 26(2) of the *Act* now provides Council with the discretion to combine a provincial plan conformity exercise with an official plan review, and Subsection 26(7) of *the Act* now requires Council to declare to the approval authority, by way of resolution, that the official plan meets the requirements to conform with or not conflict with provincial plans, have regard for matters of provincial interest, and be consistent with policy statements issued by the Province. Section 26 of the *Act* has been further revised such that new official plans adopted by the municipality need not be revised for a maximum period of 10 years following the date of approval, and every five years thereafter, unless the plan is replaced by another new official plan.

Comments

For the purposes of establishing the five and 10-year periods described above, a plan is considered to have come into effect even if there are outstanding appeals, provided the outstanding appeals pertain only to proposed land use designations. Therefore, a plan will not be determined to have come into effect if there are outstanding city-wide appeals to any policies or schedules of the plan.

Implications

VOP 2010 constitutes a new official plan, but is still subject to a five-year review as it was adopted prior to the amendments to the *Act*. The mandated timeframe for the first five-year review has not yet commenced as there are still outstanding City-wide appeals of policies and schedules to VOP 2010. Council may, by resolution, direct staff to incorporate the necessary amendments prescribed by Bill 73 as part of the current Municipal Comprehensive Review exercise.

ii) Public Engagement and Notification

a. Amendment No.17 of Bill 73 amends Section 16 of the *Act,* "Contents of Official Plan", such that Official Plans must now contain:

a description of the measures and procedures for informing and obtaining the views of the public in respect of,

i. proposed amendments to the official plan or proposed revisions of the plan,
ii. proposed zoning by-laws,
iii. proposed plans of subdivision, and
iv. proposed consents under section 53;

A description of the measures and procedures for informing and obtaining the views of the public in respect of other planning matters not described above must also be included, where appropriate.

Comments

The City of Vaughan Official Plan currently meets this requirement insofar as it pertains to official plan amendments or proposed revisions, and proposed zoning by-laws or amendments thereto.

b. Subsection 17(19.4) pertaining to the provision of at least one public open house being held for an official plan amendment under Section 26 of the *Act* has been deleted and replaced with new Subsections 17(19.4) and 17(19.4.1). These sections require Council to consider whether it is desirable for alternative measures to be used to provide notice to the public with respect to a public meeting for an official plan or official plan amendment.

   Amendment Nos. 26 and 31 of Bill 73 provide similar changes to Section 34 and Section 51, respectively, of *the Act.* These amendments require Council to consider whether or not alternative measures for notifying the public of proposed zoning by-laws, zoning by-law amendments, or draft plans of subdivision are appropriate.

   Implications

   Section 10.1.4 of VOP 2010 identifies the City's notifications procedures for statutory public meetings. Should Council direct that it is desirable to include alternative measures for notifying the public of public meetings for official plans, zoning by-laws, amendments thereto, or draft plans of subdivision, the alternative measures will need to be identified in the Vaughan Official Plan by way of amendment or through the MCR process.

c. Amendment No. 21 of Bill 73 adds Subsection 22(2.1), which states that "No person or public body shall request an amendment to a new official plan before the second anniversary of the first day any part of the plan comes into effect." Subsection 22(2.2) allows for Council to declare by resolution that a request for amendment to a new official plan is permitted, either in respect to a specific request, a class of requests or in respect of such requests generally.

   Implications

   These amendments allow the City, at Council's discretion, to defer applications for Official Plan Amendments for the first two years following the adoption of a new official plan. This would provide greater certainty to the City and applicants following the adoption of a new official plan, and could assist with the processing of appeals to the Official Plan.

   With the reduced number of Official Plan Amendment applications, submitted a significant loss in revenue will occur. However, after the two year moratorium on the planning applications a mass influx of Official Plan Amendment applications is likely to occur.

Two Year Moratorium on Zoning By-law Amendments

Amendment No. 26 of Bill 73 provides for the addition of Section 34(10.0.0.1) stating that "If the council carries out the requirements of subsection 26(9) by simultaneously repealing and replacing all the zoning by-laws in effect in the municipality, no person or public body shall submit an application for an amendment to any of the by-laws before the second anniversary of the day on which the council repeals and replaces them". Subsection 34(10.0.0.1) allows for Council to declare by resolution that a request for amendment to a Zoning By-law is permitted, either in respect to a specific request, a class of requests or in respect of such requests generally. These amendments allow the City, at Council's discretion, to prevent applications for Zoning By-law Amendments for the first two years following the adoption of a new Zoning By-law. This would provide greater certainty to the City and applicants following the adoption of a new zoning by-law, and could assist with the processing of appeals to the Zoning By-law.

Implications

With the reduced number of Zoning By-law Amendment and Minor Variance applications submitted a significant loss in revenue will occur. However, after the two year moratorium on the planning applications, a mass influx of Zoning By-law Amendment and Minor Variance applications is likely to occur.

Planning Advisory Committees

While previously discretionary, Bill 73 has made planning advisory committees mandatory for all upper-tier and single-tier municipalities that are not in a territorial district (except the Township of Pelee). Councils of lower-tier municipalities and single-tier municipalities in a territorial district continue to have the option to appoint a planning advisory committee. Where planning advisory committees are optional, Councils of two or more municipalities may appoint a joint planning advisory committee. Each committee is required to have at least one member who is neither a councillor nor a municipal employee and remuneration may be determined by Council.

Alternative Parkland Requirements

Key applicable amendments in Bill 73 legislation that impact the Parks Development Department include:

i. Amendments to Section 42 Parkland Dedication, Cash-In-Lieu, and Using the Alternative Parkland Rates.

   a. Prior to adoption of official plan policies for establishing the requirement for alternative rates for parkland dedication (Subsection 42(3) of the *Planning Act*), the municipality must have a Parks Plan in place that examines the need for parkland within the municipality.

   b. The requirements are for municipalities to, at minimum, ensure that the Parks Plan is made available to the public and is prepared in consultation with every school board that has jurisdiction in the municipality.

   c. Amendments a) and b) above will only apply to official plan policies adopted after the effective date of the Bill 73 amendments – July 1, 2016.

   d. Amendments to the calculation of cash-in-lieu (CIL) collected under the alternative requirement, which is currently 1ha of land for every 300 residential units proposed. The new maximum rate proposed is 1ha. for every 500 dwelling units proposed (or at a lesser rate as may be determined by the municipality under specific by-laws). The new proposed rate of 1h/500 applies to the collection of cash-in-lieu, not the dedication of actual parkland, which remains unchanged at a rate of 1ha/300 residential units (or a lesser rate as may be determined by the existing by-laws). This new cash-in-lieu alternative rate of 1ha/500 residential units will apply as of July 1, 2016 and does not apply to existing official plan policies and alternative rate dedication by-laws already in effect.

ii. Amendment to Section 51.1 Draft Plan of Subdivision Conditions regarding Parkland

   a. The changes made to Section 42 above are similarly made to Section 51.1. To impose the alternative parkland requirement of 1ha/300 units, the municipality must have a Parks Plan and implementing official plan polices that are in accordance to the Parks Plan. If cash-in-lieu is to be collected, the maximum alternative requirement the

municipality can impose through a draft plan conditions of approval will be the new rate of 1h/500 residential units.

iii. Amendments to Section 26 Official Plan Updates - 10 year update with 5 year review

a. Council shall review a new official plan every 10 years after it comes into effect as a new official plan and 5 years thereafter unless it is replaced by another new official plan. The Parks Plan would have to be consistent and revised to coincide with the Official Plan update and reviews.

Comments

The Active Together Master Plan ("ATMP") the City's strategic plan for parks, recreation and libraries, provides an action plan to guide the development of future municipal parks, facilities and services in a responsible manner. The ATMP was first established in 2008 and subsequently updated in 2013 in effort to keep the City's plans current and in-line with the parks and recreation needs of the community. The ATMP is currently scheduled to be updated again by 2018 through a public consultation process and accordingly will continue to fulfill the requirements of the Parks Plan, as identified in Bill 73.

Implications

i. The ATMP parkland provisions targets for the City of Vaughan to meet the current and future parks and open space needs. Any changes to the City's existing official plan policies and by-laws for alternative parkland requirements will require a city-wide Parks Plan that complies with the requirements proposed by Bill 73. Through the planned update to the ATMP, the City intends to develop a Parks Plan which includes a strategy for the acquisition of parkland, which will require prioritization of underserved areas and will recommend methodology for setting short and long-term parkland acquisition priorities to reflect demographics, existing development areas, current development patterns and future development plans to comply with the new proposed legislation.

ii. The new proposed alternative requirement for parkland dedication where CIL is collected or required at 1ha for every 500 residential units (1/500) will generate approximately 40% less cash-in-lieu funding revenue to the City. From a long term financial perspective, this legislative change will have a significant negative impact on the City's parkland acquisition strategy. It is difficult to estimate an exact financial impact of the parkland provisions; however the order of magnitude could be in the range of $80 to $100 million dollars of lost revenue by build out. The reduction of CIL collection would negatively affect the City's ability to acquire city-wide parkland, especially in areas identified as being deficient and in areas designated for intensification where land values are significantly higher. On the day the Bill is proclaimed, the new cash-in-lieu alternative provision rate will apply. The City's current method of calculating the CIL charge for cash in lieu of parkland per unit rate applicable for high-density land will need to be reviewed in more detail when considering the new provisions described in Bill 73.

iii. Notwithstanding the proposed amendment to the alternative parkland requirement rate to 1/500, the current fixed CIL rate of $8,500 per unit reflects a historical land value based on an average of medium density land values in 2012 which does not reflect the current market value of high density residential land. It is therefore proposed that a review of the current valuation of land for the fixed rate per unit be undertaken to reflect current market value and be incorporated into the 1/500 formula. A review of the current valuation methodology for areas of intensification is required so to better reflect the current market value of lands. This valuation should be updated/reviewed every 3 years or earlier at the City's discretion, tied to a periodic review of pending market conditions.

Financial Reporting Changes

New financial reporting requirements within both the *Planning Act* and the *Development Charges Act* have been added. Section 37 and CIL of parkland are now required to be maintained in special accounts with annual reports prepared and released publicly that show a detailed account of the monies collected and how they were spent. Although these requirements were already in place for development charges, new provisions that further expand on the level of detail to be required in the Treasurer's Statement were added to the *Development Charges Act* (DCA).

Bill 73 Amendments to the *Development Charges Act, 1997* and Regulations

While many of the changes that were requested by municipalities were not accepted, there is still an overall increase in development charges ("DCs") that will flow to municipalities and overall the changes should be viewed as positive. Below is a brief outline of the changes along with any anticipated impacts to the City.

Waste Diversion is now included as an Eligible Service

Prior to the passage of Bill 73, waste management as a whole was considered to be an ineligible service in the DCA. As a part of the new regulations the definition of waste management services has been changed so that only the provision for "landfill sites and services" and "facilities and services for the incineration of waste" remain on the list of ineligible services.

This change will benefit the City by providing new funding opportunities for growth related capital costs associated with the collection of solid waste, organics and recycling, as well as the treatment and management of organics and recyclables from development charges. The City will include this recovery in the next DC by-law scheduled to be updated in 2018.

Transit Service removal of 10% discount and new forward looking level of service

Transit services have been added to the list of services that do not require a 10 per cent capital cost reduction therefore allowing for full cost recovery. Transit services will now use a planned level of service rather than a historic level of service. The service that is intended to benefit anticipated development for the 10 year period following the background study must be calculated.

Transit is the responsibility of York Region and these changes may not affect the City directly but they will certainly become an important tool that will improve the Regions ability to fund YRT transit services.

No Additional Levies commonly referred to as "Voluntary Payments"

Municipalities may not impose, directly or indirectly, a charge or a requirement to construct a service related to development. These levies, also referred to as "voluntary payments", would have typically been negotiated with developers in order to facilitate growth and offset a municipality's debt capacity issues or taxation impact related to rapid growth. Although this new provision will not have an impact on development charge collections, it may limit the City's ability to establish new payments with the development community.

Other Amendments

There were several other amendments included as a part of the Bill 73 update to the *Development Charges Act, 1997* including new requirements for asset management plans and new provisions around the timing of the collection of development charges. Staff believes that

these changes will have a minimal impact to the City and Region and will be more administrative in nature.

Implications

Overall, the changes to the *Development Charges Act, 1997* should result in the ability for the City to generate more revenues through DCs than it could prior to Bill 73. Therefore the new provisions should generally be seen as positive.

Relationship to Term of Council Service Excellence Strategy Map (2014-2018)

This report supports the following priority set forth in Term of Council Service Excellence Strategy Map (2014-2018):

- Update the Official Plan and supporting studies
- Continue to cultivate an environmentally sustainable City
- Continue to advance a culture of excellence in governance
- Enhance civic pride through a consistent city-wide approach to citizen engagement

Regional Implications

N/A

Conclusion

Bill 73 addresses some of the concerns related to land use planning and development charges raised in the past, exhibiting an effort to better recognize public input in the process, to respect planning done at the local level and to limit appeals to the Ontario Municipal Board. It is anticipated that implementation questions will be addressed through the regulations. The full extent of the impact these amendments will have may not be known for some time. In the meantime, staff will provide a further report on more detailed implementation in the coming months.

Attachments

None.

Report prepared by:

Claudia Storto, Deputy City Manager, Legal & Human Resources
Grant Uyeyama, Director, Development Planning
Lloyd Noronha, Director, Financial Planning and Development Finance / Deputy City Treasurer
Jamie Bronsema, Director, Parks Development
Roy McQuillin, Director of Policy Planning and Environmental Sustainability
Terry Liuni, Manager, Development Finance
Brianne Clace, Project Manager, Financial Sustainability
Mauro Peverini, Senior Manager of Development Planning
Todd Coles, Committee of Adjustment Manager
Martin Tavares, Manager of Parks & Open Space Planning
Mary Caputo, Senior Planner – OMB