



City of Hamilton

AUDIT, FINANCE AND ADMINISTRATION COMMITTEE ADDENDUM

Meeting #: 19-009
Date: June 6, 2019
Time: 9:30 a.m.
Location: Council Chambers, Hamilton City Hall
71 Main Street West

Angela McRae, Legislative Coordinator (905) 546-2424 ext. 5987

5. COMMUNICATIONS

- *5.1 Correspondence from Andrew Smith, A.J. Clarke and Associates Ltd., respecting the 2019 Development Charges Background Study, Projects Review

Recommendation: Be received and referred to the consideration of Item 10.4.

- *5.2 Correspondence from Aldo De Santis, Multi-Area Developments Inc., respecting the 2019 Development Charge Review, Summit Park Phase 11 and Phase 9

Recommendation: Be received and referred to the consideration of Item 10.4

- *5.3 Correspondence from Watson & Associates Economists Ltd., respecting their submission to John Ballantine, Ministry of Municipal Affairs and Housing, respecting Bill 108: Potential Changes to the Development Charges Act

Recommendation: Be received and referred to the consideration of Item 10.4.

- *5.4 Correspondence from Joel Farber, Fogler, Rubinoff LLP, respecting the 2019 Development Charges and Background Study

Recommendation: Be received and referred to the consideration of Item 10.4.

6. DELEGATION REQUESTS

- *6.1 Terry MacDougall, respecting an appeal to a water bill amount (For a future meeting)

10. DISCUSSION ITEMS

10.4 2019 Development Charges By-law and Background Study (FCS19050) (City Wide)

*10.4.a Staff Presentation

*10.5 Governance Review Sub-Committee Report 19-004 - May 28, 2019

*10.6 Bill 108 "More Homes, More Choice Act, 2019" - Schedule 3 Comment Submission (FCS19057 / LS19023) (City Wide)

12. NOTICES OF MOTION

*12.1 Community Room at 120 Strathcona Avenue North



A. J. Clarke and Associates Ltd.

SURVEYORS • PLANNERS • ENGINEERS

memorandum

To: City of Hamilton
Growth Management Division
Planning and Economic Development
71 Main Street West, 6th Floor
Hamilton, ON L8P 4Y5

*attn: Tony Sergi, P. Eng
Senior Director*

From: Andrew Smith

Date: May 23, 2019

Re: 2019 Development Charges Background Study, Projects Review

Dear Tony:

Further to my discussions with yourself this week, we have provided project specific feedback to the Hamilton-Halton Homebuilder's Association on behalf of our clients, based on our review of the projects and the requirements for the servicing of their lands. In addition we have provided some high-level feedback, comments and questions relating to the several changes to the Local Service Policy.

As I mentioned during our conversation, the HHHBA is compiling a comprehensive list of items; however, as the timing for their submissions are out of my control I am submitting our list of comments immediately to allow additional time for City review and response.

Project Specific Comments:

**Rymal Road Planning Area (ROPA 9)
Summit Park Phase 11 (25T-201309),
Crossings Future Phases (25T-200303)
Summit Park Phase 9 (25T-200208)**

There is no provision for storm sewer oversizing within the above noted subdivisions within the 2019 DC Background Study. Please note that storm sewers are proposed at greater than 1200mm diameter within the above noted Subdivisions, which are Draft Plan Approved. The design for these storm sewers was supplied to the City previously through the submissions of the detailed stormwater model prepared in support of Summit Park Phase 10, which included all the storm sewers from the break in watershed within Summit Park Phase 8 easterly to the stormwater management facility adjacent to Swayze Road. In addition, the City has detailed design drawings for Summit Park Phase



11 and Summit Park Phase 9 which included the storm drainage area plans and sewer design sheets, these plans were submitted in May 2017.

Summary Excel spreadsheets are attached, which highlight the expected City Share for oversizing of Storm Sewers and SWM Block Frontage (Phase 11), within the above noted developments within ROPA 9.

We note that the Local Service Policy proposes changes to the qualification for Storm Sewer Oversizing and is proposing to deem sewers with slope at less than 0.20% as ineligible for Cost Sharing (Ref. Appendix E, Page E-2, Page 308 of Online .PDF version of the document).

We disagree that the sewers within the above noted subdivisions should be deemed ineligible for over-sizing and note that the constraints on the grading of the storm sewers were affected through previously approved plans of Subdivision (Summit Park Phase 10 and Phase 8) and that there is no opportunity at this point to increase the slopes on these sewers.

We suggest that a note should be added to the Local Service Policy which exempts the developments noted above from this change.

**McNally Lands, 3105 Fletcher Road (25T-201405)
OMB Approval as per Case No. PL150224**

Oversizing of Storm Sewers in Appendix G-1, Category D1 as follows:
400m of 1650mm Storm Sewer.

In addition, Appendix G-1, Part two Storm Sewer Oversizing, is noted in Binbrook for "*Westerly Extension of Windwood Drive to Fletcher Road, 300m of 1650mm and 400m of 1800mm*". This arrangement appears to be based on the former Master Drainage Plan Update Report for Binbrook Settlement Area (Weslake, Dec. 2008) which described Future Pond 1B as servicing both 3105 Fletcher Road and 3479 Binbrook Road comprehensively.

The Functional Servicing Report (FSR) for 3105 Fletcher Road completed by MMM Group (Aug. 2014) in support of the Draft Plan for these lands identifies a separate stormwater management facility (SWMF) for 3105 Fletcher Road. This facility is recognized in the 2019 DC Background study as indicated on Figure G3 (Appendix G), and is noted as B20 and also noted in the Tables under Category C as *BMH 20, Purpose McNally facility*.

Note that the FSR for 3105 Fletcher Road has maximum storm sewer sizes of 1050mm, within the development. Our detailed design indicates that 1200mm sewers will be required; however, no over-sizing is expected, subject to City detailed review of a final



SWM Report. The FSR indicates that the required storage volume for this facility is 20,353 cubic metres (compare 19,201 within DC Background Study).

The Block size for the SWMF as identified within the FSR is 1.59 hectares; however, this did not include space for a maintenance access path or sediment decanting area; as such, we are of the opinion that a land area of 2.0 ha noted will be required to service the development lands. The DC Background study notes a size of 1.8 hectares; however, based on our progress on the detailed design to-date we are of the opinion that this area is insufficient. We recognize that any land deficiency may be made up through contingency funds as outlined in the Local Service Policy.

Please note in addition: although the Draft Plan Approval as per the OMB decision contains conditions which speak to the urbanization of Fletcher Road from Binbrook Road West, southerly to the limit of the Development, this project appears to have been missed within Appendix 'H' – Services Related to a Highway Needs. The references to Fletcher Road within Appendix 'H' only speak of urbanization / upgrades between Rymal Road and Binbrook Road and nothing southerly of Binbrook Road is noted.

We note that street frontage payments for the SWMF (~200m) and Park Block (~250m) will be required.

SCUBE Block 1

Storm Sewer Oversizing will be required for the inlets and first upstream pipes to Ponds 1, 2 and 3 as per the Block 1 Servicing Strategies (BSS) Report.

The Block 1 SS (BSS) Report only size the sewers directly at the inlets. The sizes are as follows:

Pond 1 Inlet – 1500mm
Pond 2 Inlet – 1500mm
Pond 3 Inlet – 1650 mm

The updated BSS Report should identify how far upstream storm sewers in excess of 1200mm are required and indicate the expected City costs for oversizing. Our estimates are as follows:

Pond 1 – 280m @ 1500mm
Pond 2 – 350m @ 1500mm
Pond 3 -- 300m @ 1650mm

The BSS Report has the most recent and accurate designs for Ponds 1, 2 and 3 and the volumes may be used to update the estimated costs within the 2019 DC Background Study as follows:



Pond 1 (SCL-29), 100 Year Volume = 13379 m³, Block Size = 2.47 ha
 Pond 2 (SCL-30), 100 Year Volume = 19454 m³, Block Size = 2.22 ha.
 Pond 3 (SCL-2), 100 Year Volume = 11279 m³, Block Size = 2.03 ha.

The BSS Report indicates that the replacement of Culverts 2 & 3 should be carried out as they do not meet MECP and MNRF criteria under existing conditions. The associated projects for the Culvert replacement could not be located within Appendix 'G' and appear to be missing.

General Comments on Changes to the Local Service Policy

E.1.1(2) Comment: Although in General we understand and agree with the principle behind this change - we disagree that this policy change should be applied to development areas which are already constrained based on previously approved designs. We have specific concerns relating to the projects noted above within ROPA9. We are of the opinion that, at minimum, there needs to be a transition policy or "grand-fathering" for development that is constrained to shallow sewers due to previous approvals. We are also concerned about the implications to this policy as it relates to the development of Elfrida. The Elfrida Lands are similar in nature to the ROPA9 lands and are significantly flat. It is unclear whether oversizing for storm sewers within Elfrida are included in the DC calculations.

E.1.2(2)/(6) Comment: Spencer Creek Sub-Watershed Study which was approved in 2017 identifies centralized stormwater management facilities within a Rural Settlement area. Under previous discussions with the Manager of Development Approvals and a Senior Project Manager we were informed that these ponds would be included in the revised DC Background Study in 2019. These discussions related specifically to the development of 655 Cramer Road which is under Draft Plan review.

We note that Item Six (6), which is an addition to the Local Service Policy from the previous background study, causes these facilities to be ineligible. (A. J. Clarke is working on the Draft Plan for these lands and have completed an 80% Detailed Design for one of the facilities identified in the Spencer Creek Study).

E.1.3(8) Comment: As this is a policy change, the City of Hamilton should confirm that none of the facilities currently identified under sub-watershed studies have been preliminarily identified as accommodating more than 40 hectares. (E.g. Ponds in SCUBE are close to this limit and are in excess of 30 hectares, what is the contributing area to the Block 3 Pond?)

E.1.5(1) Comment: Capital Costs present no increase since 2014. In our experience the volume rates of \$80/m³ for 6500 m³ and \$40/m³ for volume beyond 6500 m³ have not been sufficient to cover the construction costs for stormwater management facilities we have constructed. The rates should at minimum be indexed to inflation since 2014, or



the City should provide evidence that these rates have (on average) covered the cost of construction on more recent projects.

E.1.3(3) Comment: Again, frontage calculation is noted to have been updated based on actual costs; however, the rate of \$1500/m is the same as in the 2014 study.

E.1.7 Watercourses, Comment: A clear definition of what constitutes a 'watercourse' should be included within the Background Study. Generally regulated watercourses will not be eligible for enclosure as per Conservation Policies.

E.1.8(2) Combined Sewer Watershed (2) – Explanation needs to be provided as to how will the City pay 50% of the cost of storm sewers through Development Charges for new separate storm sewer systems when no projects are identified and there appears to be no quantifiable collection amount for this measure described in the Background Study? How much is being collected for this 'possibility' and are there specific projects in mind?

E.1.9 (1) Miscellaneous – Who will be expected to carry out the Holistic Monitoring for Stormwater Management Facility outfalls? Land-owner's groups, developer on whose lands the pond is located or the City of Hamilton? We are in agreement that this item should be collected for under the DC; however, in many situations it may be beneficial for the City to implement the monitoring themselves on newly constructed SWMFs.

Should you have any questions, or require any additional information please do not hesitate to contact me.

Yours very truly,

A handwritten signature in blue ink that reads "Andrew Smith".

Andrew Smith, P. Eng
Engineering Manager
A. J. Clarke and Associates Ltd.
905-528-8761 x272

Enc. Summary of Storm Sewer Oversizing Costs:
Summit Park Phase 11
Crossings
Summit Park Phase 9

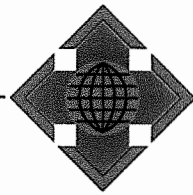
Copy: DCBackgroundStudy@hamilton.ca,

Angela McRae, Legislative Coordinator, Audit, Finance & Administration
Committee

Summit Park Phase 11 (25T-201309)					
	Size	Length	Rate/M	City Share	Sewer Slope
Storm Sewers	1800mm	38.8	\$1,586.00	\$61,536.80	(<0.20%)
		22.7	\$1,586.00	\$36,002.20	(<0.20%)
		44.1	\$1,586.00	\$69,942.60	(<0.20%)
		13.2	\$1,586.00	\$20,935.20	(<0.20%)
		25.9	\$1,586.00	\$41,077.40	(<0.20%)
		30.1	\$1,586.00	\$47,738.60	(<0.20%)
		44.7	\$1,586.00	\$70,894.20	(<0.20%)
		<i>Sub-Total Storm Sewers City Share</i>		\$348,127.00	
Manholes	3600mm	7	\$35,484.00	\$248,388.00	
Pond Frontage		10	\$1,500.00	\$15,000.00	
(Pond 1, Block 162 Phase 10)					
				<u>\$611,515.00</u>	
		Total City Share Storm Sewers /SWM:		<u>\$611,515.00</u>	

Crossings Future Phases (25T-200303)					
	Size	Length	Rate/M	City Share	Sewer Slope
Storm Sewers	1800mm	31.25	\$1,586.00	\$49,562.50	(<0.20%)
		114.2	\$1,586.00	\$181,121.20	(<0.20%)
		14	\$1,586.00	\$22,204.00	(<0.20%)
		40	\$1,586.00	\$63,440.00	(<0.20%)
	1500mm	40	\$676.00	\$27,040.00	(>0.20%)
	<i>Sub-Total Storm Sewers City Share</i>			<u>\$343,367.70</u>	
Manholes	3600mm	5	\$35,484.00	\$177,420.00	
	3000mm	1	\$4,521.00	\$4,521.00	
	<i>Sub-Total Manholes City Share</i>			<u>\$181,941.00</u>	
Total City Share:				<u><u>\$520,787.70</u></u>	

Summit Park Phase 9 (25T-200208)					
	Size	Length	Rate/M	City Share	Sewer Slope
Storm Sewers	1500mm	32	\$676.00	\$21,632.00	(>0.20%)
	1350mm	103	\$305.00	\$31,415.00	(>0.20%)
	<i>Sub-Total Storm Sewers City Share</i>			\$53,047.00	
Manholes	3000mm	3	\$4,512.00	\$13,536.00	
				Total City Share:	<u><u>\$66,583.00</u></u>

**MULTI-AREA
DEVELOPMENTS INC.**

May 29, 2019

City of Hamilton
Growth Management Division
71 Main street West, 6th Floor
Hamilton, ON
L8P 4Y5

Attention: Tony Sergi, P.Eng, Senior Director
Mike Zegarac, Director Financial Planning/Policy

**Subject: SUMMIT PARK PHASE 11 AND PHASE 9
DEVELOPMENT CHARGE REVIEW**

Dear Tony:

We are writing to request that the City to grant Development Charge consideration or a transition accommodation for our development on Summit Park Phase 11 and Phase 9 with respect the change in Local Service Policy E1.1 Paragraph 2 where the policy change requires a minimum slope of 0.2%.

Reasons for our request:

-Connection to the Upper Centennial Sanitary Trunk sewer commissioning was 18 months behind schedule and as such we are 18 months delayed in our new home construction and delivery schedule effecting our need to have serviced Summit Park Phase 11. We submitted first submission engineering design in May of 2017 and would have serviced this Phase of Summit Park if we had not been delayed by the late arrival of the trunk sanitary sewer.

-Delays in engineering approvals for Phase 10 also further delayed our need to have serviced Summit Park Phase 11, following similar rationale as in the previous paragraph.

-The approved and installed storm sewer system in Summit Park Phase 10 at the low end of the drainage area and Phase 8 at the high end of the drainage area set the fixed elevations that determine the achievable gradient/slope of the pipes in the system. The minimum of 0.2% slope is difficult to achieve between the fixed points. Should we not be

able to the minimum 0.2 % slope on the pipe, then this change in policy results in both Phase 11 and Phase 9 being ineligible for oversizing DC contributions. Phase 9 first engineering design submission was also May of 2017.

We have asked A.J. Clarke and Associate to take a hard look at the design of the storm sewer system between the two fixed points. They have assured me that they will endeavor to meet the criteria of the Local Service Policy. This may result in smaller pipe sizes and therefore a more efficient system, in which case there could well be fewer oversized pipes.

We are hereby requesting that Summit Park Phase 9 and Phase 11 both of which have first submission of engineering design submitted to the City in May, 2017 be exempted from the requirements of Local Service Policy E1.1 Paragraph 2 where the policy change requires a minimum slope of 0.2%. However, our engineers be may able to achieve the 0.2 % minimum slope criteria allowing the pipes to be eligible for DC oversizing contribution.

In either case, we ask that these pipes be included in the 2019 Development Charge background study so that the funds are available for payment of oversizing purposes. Schedule is attached.

Yours truly,

MULTI-AREA DEVELOPMENTS INC.

A handwritten signature in black ink, reading "Aldo De Santis". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Aldo De Santis
President

May 29, 2019

Mr. John Ballantine
Manager, Municipal Finance Policy Branch
Ministry of Municipal Affairs and Housing
13th Floor, 777 Bay Street
Toronto, Ontario
M5G 2E5

Dear Mr. Ballantine:

Re: Bill 108: Potential Changes to the Development Charges Act

On behalf of our many municipal clients, by way of this letter we are summarizing our perspectives on the changes to the *Development Charges Act* (D.C.A.) as proposed by Bill 108.

Watson & Associates Economists Ltd.

Watson & Associates Economists Ltd. is a firm of municipal economists, planners and accountants, which has been in operation since 1982. With a municipal client base of more than 250 Ontario municipalities and utility commissions, the firm is recognized as a leader in the municipal finance/local government field. The firm's Directors have participated extensively as expert witnesses on development charge (D.C.) and municipal finance matters at the Local Planning Appeal Tribunal (formerly known as the Ontario Municipal Board) for over 37 years.

Our background in D.C.s is unprecedented including:

- carrying out over one-half of the consulting work completed in Ontario in the D.C. field during the past decade; and
- providing submissions and participating in discussions with the Province when the D.C.A. was first introduced in 1989 and with each of the amendments undertaken in 1997 and 2015.

Changes to Eligible Services

The Bill proposes to remove “soft services” from the D.C.A. These services will be considered as part of a new “community benefits charge” (discussed below) imposed under the Planning Act. Eligible services that will remain under the D.C.A. include water, wastewater, stormwater, services related to a highway, policing, fire, transit and waste diversion.



As provided below (a detailed summary is provided in Appendix A), Province-wide this change would remove 20% of annual collections from the D.C.A.

Table 1 - Development Charge Collections - 2013 to 2017

Service Category	Total Collections 2013 to 2017	Annual Average Collections	Percentage of Total
Services Continued Within D.C.A.	\$ 8,069,285,661	\$ 1,613,857,132	80%
Services to be Moved to Community Benefits Charge	1,967,192,671	393,438,534	20%
Total	\$10,036,478,333	\$ 2,007,295,667	100%

Since it is unclear as to the potential ability to replace these revenues with the proposed community benefits charge, a number of concerns are raised:

- Many municipalities have constructed facilities for these various services, and the ability to recoup the annual debt charges is in question. This lost revenue may shift the burden directly onto existing taxpayers.
- A number of municipalities enter into agreements to have the developing landowner fund certain services (e.g. parkland development) and provide D.C. credits at the time of building permit issuance. It is unclear how a municipality is to honour these commitments given the new revenue structure.
- Many municipalities have projects for these services in progress. The lost funding may put these projects in jeopardy.
- Many municipalities have borrowed D.C. revenues from another D.C. service to fund these expenditures. Once again, it is unclear how to fund these balances.
- Municipalities have concerns with the potential of the Minister to limit the scope of eligible services for which community benefits charges could be imposed through regulation, particularly as this might relate to future funding plans based on this revenue source.

Waste Diversion

The Bill would remove the mandatory 10% deduction for this service.

This change will be helpful to municipalities in funding this service. Moreover, the ability to forecast the increase in needs over a period longer than 10 years will allow municipalities to better determine the long-term average increase in needs.



Payment in Installments Over Six Years

The Bill proposes that rental housing, non-profit housing and commercial/industrial/institutional developments pay their development charges in six equal annual payments commencing the earlier of the date of issuance of a building permit or occupancy. If payments are not made, interest may be charged (at a prescribed rate) and may be added to the property and collected as taxes.

As the proposed changes to the D.C.A. are to facilitate the Province's affordable housing agenda, it is unclear why these installment payments are to be provided to commercial, industrial and institutional developments. Table 2 presents the number of non-residential building permits issued annually by Ontario municipalities over the period 2012 to 2017. Based on the past six years, municipalities would be managing installment collections on almost half a million building permits.

Table 2 - Non-residential Building Permits Issued - 2012 to 2017

Service	2012	2013	2014	2015	2016	2017	Total
Permits Issued	67,795	75,182	76,189	79,070	86,158	82,640	467,034

Source: Financial Information Returns - 2012 to 2017

Based on the above:

- Administration of this process to undertake annual collections, follow up on delayed payments, and pursue defaulting properties would increase administrative staffing needs significantly. If an ability to recover these administrative costs is not provided, then this would be a direct impact on property taxes.
- It is unclear what security requirements the municipality may impose. As the building permit is most often taken out by the builder, there is a disconnect with the potential owner of the building. We would recommend that the D.C.A. provide the ability to either receive securities or be able to register the outstanding collections on title to the property.
- The delay in receiving the D.C. revenue will impact the D.C. cashflow. As most of these "hard services" must be provided in advance of development occurring, it will require increased debt and borrowing costs. Added interest costs will place upward pressure on the D.C. quantum.

When the D.C. Amount is Determined

The Bill proposes that the D.C. amount for developments proceeding by site plan approval or requiring a zoning by-law amendment, shall be determined based on the D.C. charge in effect on the day of the application for site plan approval or zoning by-law amendment. If the development is not proceeding via these planning approvals,



then the amount is determined the earlier of the date of issuance of a building permit or occupancy.

Based on the above:

- We perceive the potential for abuse with respect to the zoning change requirement. A minor change in a zoning would activate this section of the D.C.A. and lock-in the rates. This would give rise to enhancing the land value of the property as it has potentially lower D.C. payments.
- D.C.s tend to increase in subsequent five-year reviews, because the underlying D.C.A. index does not accurately reflect the actual costs incurred by municipalities. Locking-in the D.C. rates well in advance of the building permit issuance would produce a shortfall in D.C. revenue, as the chargeable rates will not reflect the current rate (and therefore current costs) as of the time the development proceeds to be built. If municipalities are being required to maintain these charges, then the D.C.A. should provide for adjustment to reflect changes in actual costs, allow for ease of amendment between review periods, and index charges based on actual cost experience.
- There should be a time limit established in the D.C.A. as to how long the development takes to move from site plan application, or zoning application, to the issuance of a building permit. There is no financial incentive for the development to move quickly to building permit if this is not provided. Although the D.C.A. indicates that the Minister may regulate this, if no regulation is provided then the rates would be set in perpetuity.

Second Dwelling Units in New Residential Developments or Ancillary to an Existing Dwelling Unit are to be Exempt from Paying Development Charges

We perceive that imposing an immediate exemption for a second unit in a new home will cause considerable problems for existing agreements with developers. Potential impacts could include:

- For existing agreements and in certain circumstances, the developer may not recover the full amount of the agreed-to funding.
- Alternatively, the municipality may have to recognize the potential funding loss. The municipality then must generate the funding even though these expenditures were not planned. This may cause direct impacts on debt levels, tax/use rates or delays in future funding given the added net costs to build the infrastructure.
- The potential arises for the conditions within these agreements to now be challenged in court in light of the provincial regulation changes, giving rise to considerable legal expense, delays in development (given the uncertainty of the outcome) and loss of confidence in negotiating future agreements.



- Note also that, with respect to allocation of capacity for water and wastewater servicing, there may be further impacts given Environmental Assessment approvals for targeted development levels.
- Increasing the number of statutory exemptions also results in a revenue loss for municipalities that have to be funded from non-D.C. funding sources, thus increasing the obligation on property taxes.

Soft Services to be Included in a New Community Benefits Charge Under the Planning Act

It is proposed that a municipality may, by by-law, impose community benefits charges against land to pay for the capital costs of facilities, services and matters required because of development or redevelopment in the area to which the by-law applies. These services may not include those authorized by the D.C.A. Various provisions are proposed as follows:

- *Before passing a community benefits charge by-law, the municipality shall prepare a community benefits charge strategy that, (a) identifies the facilities, services and matters that will be funded with community benefits charges; and (b) complies with any prescribed requirements.*
- *Land for parkland purposes will be included in this charge.*
- *The amount of a community benefits charge payable shall not exceed an amount equal to the prescribed percentage of the value of the land as of the valuation date.*
- *The valuation date is the day before building permit issuance.*
- *Valuations will be based on the appraised value of land. Various requirements are set out in this regard.*
- *All money received by the municipality under a community benefits charge by-law shall be paid into a special account.*
- *In each calendar year, a municipality shall spend or allocate at least 60 per cent of the monies that are in the special account at the beginning of the year.*
- *Requirements for annual reporting shall be prescribed.*
- *Transitional provisions are set out regarding the D.C. reserve funds and D.C. credits.*

The proposed changes are limited, in that the details are left to be defined by Regulation. As such:

- More information is needed, as there are several key items to be included as part of the regulations; i.e. what items are to be included in community benefits charge strategy and what percentage of the “value of land” is to be eligible for collection.
- Depending on what is to be included in the community benefits charge strategy, this may be undertaken at a similar time as the D.C. background study. As



noted, however, it is unclear as to the prescribed items to be included along with the process required to adopt the strategy and the by-law.

- The potential for future parkland is minimized by including it as part of the charge along with all other “soft services.”
- Concern is raised regarding what prescribed percentage of the land value will be allocated for the charge. If the same percentage is provided for all of Ontario, then a single family lot in Toronto valued at \$2 million will yield 20 times the revenue of a \$100,000 lot in eastern Ontario. Given that building costs for the same facilities may only vary by, say, 15%, the community benefits charge will yield nominal funds to pay for required services for most of Ontario. As such, if prescribed rates are imposed, these should recognize regional, in not area-municipal, distinctions in land values.
- It is unclear how the community benefits charge will be implemented in a two-tier municipal system. Given that both the upper and lower tiers will have needs, there is no guidance on how the percentage of the land value will be allocated or how the process for allocating this would occur. Obviously, land values will vary significantly in urban versus semi-urban communities (e.g. in York Region, land value in Markham is significantly higher than in Georgina), so that the upper tier needs may only take, say, 30% of the allotted value in the urban areas but 75% to 90% of the allotted semi-urban or rural values.
- Given the need for appraisals and the ability of the applicant to challenge the appraisal, a charging system based on land values will be extremely cumbersome and expensive. It is unclear how appraisal costs are recovered and the appraisals may become significant costs on each individual property.

By-laws That Expire After May 2, 2019

The Bill provides in subsection 9.1 (1) that a development charge by-law expiring on or after May 2, 2019 and before the prescribed date shall remain in force as it relates to the soft services being moved to community benefits charges.

Confusion is produced by this section of the Bill. There are many municipal D.C. by-laws (over 70) currently set to expire between May and August of this year. Until the Bill is passed into law, these D.C. by-laws will need to be replaced by new ones. This section of the Bill should be amended to reflect that the new D.C. rates in effect at the time of the new legislation coming into force will continue so as to not present confusion over rates as of May 2, 2019 versus rates passed under these new D.C. by-laws.

Conclusions/Observations

In late 2018/early 2019, the Province invited many sectors to participate in the Province’s Housing Supply Action Plan. This process included specialized Development Charges and Housing Affordability Technical Consultations undertaken to provide input to this Action Plan. From those discussion sessions undertaken with members of the development/building community, it was acknowledged that there are



challenges for the development/building community to address the housing needs for certain sectors of the housing market. Rental housing is one example of an area where the low profit margins and high risks may limit participation by developer/builders; however, there clearly does not appear to be a Province-wide concern with D.C. rates that would warrant a wholesale reduction/elimination of D.C.s for any particular service. Arising from those discussions it was expected that these matters would be the focus of the legislated changes; however, Bill 108 has varied significantly from that target:

- The Bill makes wholesale changes to the D.C.A. which will restrict revenues collected from all forms (and all prices) of housing. Hence, the target is no longer rental or affordable housing focused. Where municipalities have been developing D.C. policies and programs to address affordable housing needs directly, the loss of D.C. funding will make these programs unaffordable due to the overall revenue lost.
- The Bill has introduced changes to collections and locking in rates, which directly benefit commercial, industrial and institutional developments, that were not part of the Province's Housing Supply Action Plan. It is unclear why this has been introduced. The six-payment plan for this sector is expected to be expensive and cumbersome to administrate.
- Many transitional items have not been addressed and it is unclear whether the developing land owner is responsible for potential revenue losses or whether that will be the responsibility of the municipality. These matters need to be addressed, otherwise time and money will be spent clarifying these matters in the courts.
- The Regulations to define the new community benefits charges have not been circulated with the Bill; hence, the magnitude of the impact cannot be calculated. It is anticipated, however, that a significant amount of revenue will be lost along with additional lands for park purposes. This either places a direct burden onto taxpayers or will reduce service levels significantly for the future.

Yours very truly,

WATSON & ASSOCIATES ECONOMISTS LTD.

Gary D. Scandlan, B.A., PLE
Director

Andrew Grunda, MBA, CPA, CMA
Principal



Appendix A

Development Charge Collections 2013 to 2017



Appendix A: Development Charge Collections 2013 to 2017

Development Charge Collections - 2013 to 2017

Service	2013	2014	2015	2016	2017	Total	Average Annual
Services Continued Within D.C.A.							
Development Studies	\$ 6,785,229	\$ 7,539,525	\$ 9,634,244	\$ 9,536,538	\$ 11,607,836	\$ 45,103,372	\$ 9,020,674
Fire Protection	19,100,753	23,624,512	24,765,253	27,313,942	26,978,473	121,782,933	24,356,587
Police Protection	16,473,155	18,511,592	20,652,998	18,378,613	20,548,089	94,564,447	18,912,889
Roads and Structures	459,358,776	612,034,803	690,333,195	779,050,973	719,779,061	3,260,556,808	652,111,362
Transit	76,809,022	132,348,600	130,908,057	132,489,696	136,970,102	609,525,477	121,905,095
Wastewater	226,276,592	326,853,930	366,627,394	442,003,774	377,008,100	1,738,769,790	347,753,958
Stormwater	35,407,598	37,192,646	36,127,040	52,679,456	53,577,620	214,984,360	42,996,872
Water	249,052,732	324,843,966	373,922,202	474,822,033	513,942,477	1,936,583,410	387,316,682
GO Transit	7,594,651	9,005,572	10,515,931	9,837,550	10,461,361	47,415,065	9,483,013
D.C.A. Continued Services	\$ 1,096,858,508	\$ 1,491,955,146	\$ 1,663,486,314	\$ 1,946,112,574	\$ 1,870,873,119	\$ 8,069,285,661	\$ 1,613,857,132
Services to Be Included Within New Section 37 Community Benefits Charge							
Emergency Medical Services	\$ 3,112,736	\$ 4,765,936	\$ 5,128,696	\$ 4,840,840	\$ 5,773,536	\$ 23,621,744	\$ 4,724,349
Homes for the Aged	3,073,247	2,939,550	3,743,039	3,595,331	4,297,427	17,648,594	3,529,719
Daycare	2,499,810	3,301,019	3,088,376	1,760,689	2,473,840	13,123,734	2,624,747
Housing	17,947,287	18,658,790	19,786,738	16,116,747	21,684,247	94,193,809	18,838,762
Parkland Development	64,269,835	88,966,081	84,900,635	73,762,908	87,751,688	399,651,147	79,930,229
Library	28,579,595	33,673,639	32,963,569	33,161,869	34,690,844	163,069,516	32,613,903
Recreation	113,885,296	139,822,233	162,878,471	165,794,581	160,313,825	742,694,406	148,538,881
General Government	12,050,045	12,270,754	12,829,713	21,443,520	8,654,142	67,248,174	13,449,635
Parking	1,906,154	3,594,036	4,821,705	3,986,887	3,947,438	18,256,220	3,651,244
Animal Control	18,224	16,511	44,952	23,839	15,205	118,731	23,746
Municipal Cemeteries	38,942	69,614	55,007	170,736	108,145	442,444	88,489
Other	100,284,812	88,219,453	84,354,637	82,829,254	71,435,996	427,124,152	85,424,830
Services to be Moved to Community Benefits Charge	\$ 347,665,983	\$ 396,297,616	\$ 414,595,538	\$ 407,487,201	\$ 401,146,333	\$ 1,967,192,671	\$ 393,438,534
Total	\$ 1,444,524,491	\$ 1,888,252,762	\$ 2,078,081,852	\$ 2,353,599,776	\$ 2,272,019,452	\$10,036,478,333	\$ 2,007,295,667

Source: Financial Information Returns - 2013 to 2017



Fogler, Rubinoff LLP
Lawyers

77 King Street West
Suite 3000, PO Box 95
TD Centre North Tower
Toronto, ON M5K 1G8
t: 416.864.9700 | f: 416.941.8852
foglers.com

June 5, 2019

Reply To: Joel D. Farber
Direct Dial: 416.365.3707
E-mail: jfarber@foglers.com
Our File No. 064423

VIA EMAIL

City of Hamilton
Audit, Finance and Administration Committee
71 Main Street West
Hamilton, Ontario L8P 4Y5

Attention: Angela McRae, Legislative Coordinator

Dear Ms. McRae:

Re: 2019 Development Charges and Background Study FCS19051 Items 10.3 & 10.4

We have now had the opportunity to review the above noted report.

As noted in the report, the regulations require that the Elfrida capital items be supported by an Official Plan, capital forecast or similar approved expression of Council. We are not of the view that Elfrida related capital projects can or should be said to meet these criteria at the present time.

Staff rely on GRIDS as support for Elfrida as a statement of intention to support the capital items. GRIDS was not an exercise that occurred within the parameters of the *Planning Act*. Furthermore, GRIDS (2006) was premised on a 2031 time horizon and an urban boundary expansion for that horizon. The City did not complete a 2031 municipal comprehensive review process and the time for doing so has since passed with the amendments to the Growth Plan that came into effect on July 1, 2017. GRIDS also did not establish increased needs for service for capital items but was in the nature of a much higher level growth management study.

To the extent that staff continue to rely on GRIDS as support for Elfrida, then staff should also be consistent and recognize that the Twenty Road West lands were also approved by Council in GRIDS which included as part of the 2031 preferred growth option:

- o Small expansion to round out existing neighbourhoods between the airport employment area and existing residential area (95 net hectares) south of Twenty Road and east of Glancaster Road in the Deferral 11 area of the Regional Official Plan;

Staff also rely on the UHOP as support for Council's statement of intention but in our submission, the UHOP is of no assistance in fulfillment of the statutory criteria under the DC Act. First, the Minister refused to approve any policy related to Elfrida so the Elfrida policies do not form part of the Official Plan and therefore the regulation criteria is not met in so far as the UHOP is concerned. Second, and in any event, the Elfrida policies in the UHOP which the Minister rejected establish study areas only subject to a municipal comprehensive review process and Council approved urban boundary expansion. The fact is that Elfrida, either in whole or in part, has never been approved by Council for greenfield development.

Staff also rely on the prior DC background studies as confirmation of intent. The inclusion of Elfrida items in prior DC background studies is irrelevant in so far as the legality of inclusion in the 2019 DC charge. Nothing in the prior DC by-laws fetters the discretion of Council as to what capital items are appropriate to include the DC by-law.

We would also note that there is no transportation or master servicing plan approved by Council for the Elfrida area and it is these services that are proposed to be included in the DC by-law. It is these specific growth related items that should be in an Official Plan or other plan approved by Council in accordance with the regulations. At present, there are no approved roads or servicing plans for Elfrida so that capital items have not been identified as required.

Based on the foregoing, we are of the view that the inclusion of the Elfrida projects in the DC by-law is not appropriate or in compliance with the DC Act.

Staff again refer staff of the AEGD Minutes of Settlement. Clause 14 of the MOS does not affect our clients' rights. Clause 14 contains no covenant or obligation on our client's part to do or not do anything. Clause 14 purports (only) to be a statement of the City's intention but we remind this Council that the Clause did not arise from any public planning process confirming the City's intention for growth. It amounted to a statement that a prior Council sought to make for the purposes of the AEGD settlement. The clause in the MOS certainly cannot now amount to an appropriate public policy or legal basis for inclusion of Elfrida capital projects in the 2019 DC By-law as an approved statement of this current Council's intention.

We should also note however, that pursuant to the Minutes of Settlement, which were signed in 2013, work on a 2041 municipal comprehensive review process to consider, among other growth options, the Twenty Road West lands was to commence immediately. Work did not commence until a number of years later and remains incomplete. Elfrida was apparently to be considered within a 2031 MCR process, but that did not occur and now in fact even the DC by-law recognizes that Elfrida (if approved) would not be available in substantial part to meet the 2031 growth projections.

We believe that it is critically important that the Committee and Council proceed on this point with caution and should not go down the path of considering action that could be viewed as establishing predetermined areas for future urban boundary expansion in the absence of the appropriate public consultation or technical planning support.

The treatment of the Elfrida projects in the DC by-law substantially undermines GRIDS2 and the MCR process to consider all growth options in the City on a fair and level playing field, and based on current Council and Provincial policy and direction. Excluding Elfrida from the 2019 DC by-law preserves the necessary and important objectivity in the growth management process. There is no prejudice to the City as the City can always update or amend its DC by-law in the event of inclusion of any new growth area in the urban fabric.

Apart from the legalities, the key question for the Committee and for Council is whether or not the Elfrida projects should be included at this time as a matter of the 2019 DC policy. Elfrida remains entirely without any planning status except as part of Hamilton's prime agricultural base. Serious questions and concerns are now being appropriately raised as to whether Elfrida promotes smart growth and the development of transit oriented compact complete communities. There are many other areas for growth and intensification, including the Twenty Road West land that is fully surrounded by the urban boundary and will deliver key infrastructure linking Hamilton's employment area, the airport and major transit and transportation corridors, that need to be considered as more appropriate and readily achievable growth areas to meet short term housing requirements and fulfill the City's planning objectives

Yours truly,

FOGLER, RUBINOFF LLP

"Joel D. Farber"

Joel D. Farber*

*Services provided through a professional corporation

JDF/sz

cc: clients

Added Item 6.1

Form: Request to Speak to Committee of Council

Submitted on Wednesday, May 29, 2019 - 12:01 pm

==Committee Requested==

Committee: Audit, Finance & Administration

==Requestor Information==

Name of Individual: Terry MacDougall

Name of Organization:

Contact Number: n/a

Email Address:

Mailing Address:

Reason(s) for delegation request: Appealing water bill amount

Will you be requesting funds from the City? No

Will you be submitting a formal presentation? No

From: Terry MacDougall
To: [McRae, Angela](#)
Subject: Re: Request to Speak - Audit, Finance and Administration Committee
Date: June 3, 2019 3:42:27 PM

Good Afternoon Angela!

Two of the issues are; that none of this water went to the sewer system, so those charges should not apply, and the refusal for covering water charges is for breakage due to freezing; this was not the case. I keep my water on all year for fire safety. I actually did have a kitchen fire last year, and if the water was not turned on to the outside valve, I would have lost my house. Check with the fire department, as they were called by a neighbour. I was able to put the fire out with my house before the fire was able to get out of control. I have owned this house for over 26 years, and have never turned off the supply to the outside valve, and have never had ANY problems at all with freezing! Someone must have come onto my property and turned the hose on, and left.

My house is newer (26 years old), with a heated basement, and a solid concrete and insulated wall.

Could you please pass this information along?

Terry



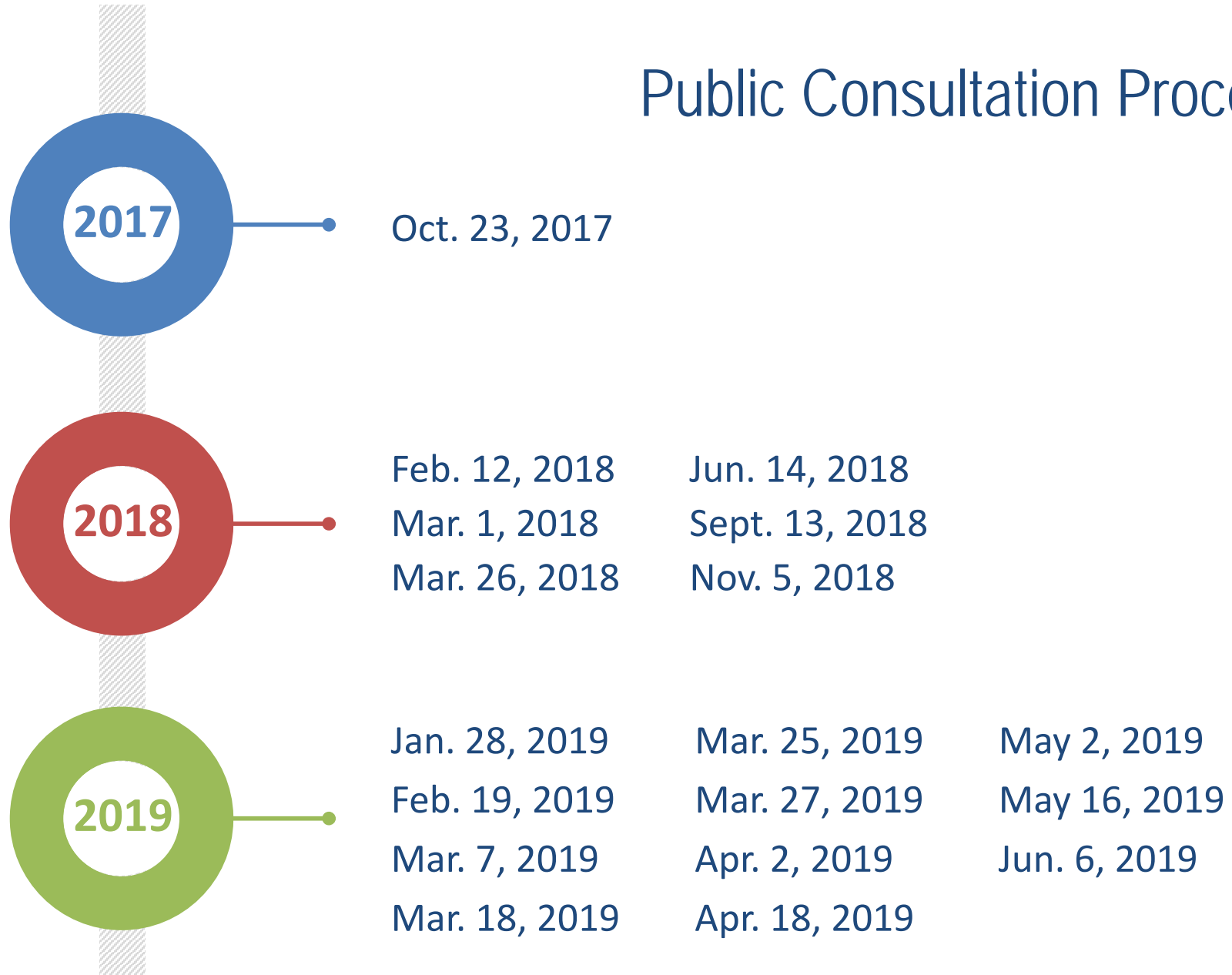
2019 DEVELOPMENT CHARGES – BY-LAW

June 6 2019

Agenda

- Public Consultation Process
- Bill 108 Update
- Amendments since March 13 DC Background Study release
 - Addendum Summary
 - Motion Summary
- DC Exemption Summary
- Next Steps

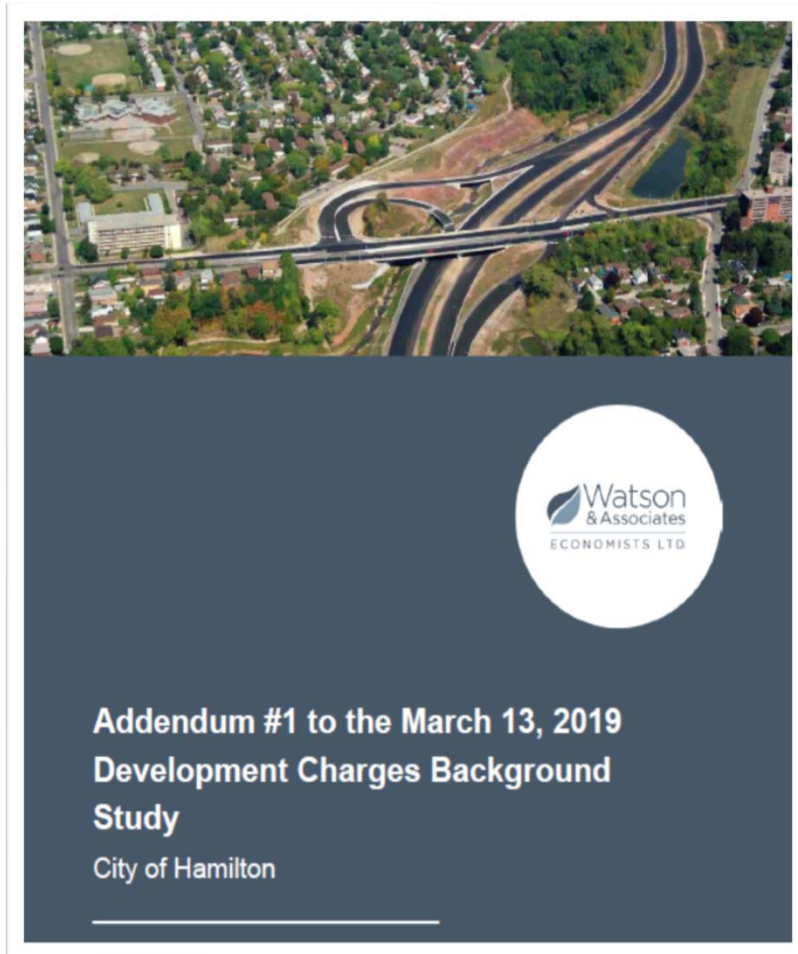
Public Consultation Process



Bill 108 Update

- Hard and soft services changes
- Creation of a Community Benefits Charges (CBC)
- DC rate set at the later of site plan or zoning application
- Changes to the statutory exemption for secondary dwellings
- Payment due at occupancy and paid in six annual instalments for rental and non-profit housing as well as Institutional, Commercial and Industrial

Amendments - Addendum Summary



- Elfrida stormwater calculation has been revised
- Net impact of amending the total capital costs included in the DC calculation downward from:
 - \$2.275 B to \$2.202 B in the separated sewer system
 - \$1.873 B to \$1.872 B in the combined sewer system
- A number of smaller amendments

Amendments - Addendum Summary

Calculated DC Rates (per dwelling unit unless otherwise stated)	Combined Sewer System			Separated Sewer System		
	2019 DC Initial	2019 DC As amended	Decrease	2019 DC Initial	2019 DC As amended	Decrease
Singles / Semi's	\$ 43,523	\$ 43,489	\$ 34	\$ 52,561	\$ 50,003	\$ 2,558
Townhouse / Other Multiple	\$ 31,152	\$ 31,128	\$ 24	\$ 37,620	\$ 35,790	\$ 1,830
Apartment (2+ bdrms)	\$ 25,487	\$ 25,467	\$ 20	\$ 30,780	\$ 29,282	\$ 1,498
Apartment (1 bdrm)	\$ 17,436	\$ 17,422	\$ 14	\$ 21,056	\$ 20,031	\$ 1,025
Residential Facility (per bed)	\$ 14,057	\$ 14,046	\$ 11	\$ 16,977	\$ 16,151	\$ 826
Non-residential (per sq. ft.)	\$ 18.02	\$ 18.02	\$ -	\$ 20.30	\$ 20.18	\$ 0.12
Industrial (per sq. ft.)	\$ 10.99	\$ 10.99	\$ -	\$ 12.39	\$ 12.30	\$ 0.09

Amendments - Motion Summary

- **CityHousing Hamilton**
 - Housekeeping
- **Commercial Greenhouse**
 - Re-title as “Retail Greenhouse” and remove from the definition of industrial development to be consistent with comparator municipalities
 - Add growing to the Cannabis Production Facility definition
- **Garden Suites**
 - Add exemption
- **Academic and Student Residence Development Program**
 - Report back on options available to Council

DC Exemptions Summary

Item	2019 DC By-law Policy
Film, Production & Artist Studios	Charged industrial rate
Industrial Rate	Receives a 39% reduction from the calculated charge
Parking Structures	No exemption provided for Commercial Parking as defined in section 1(w)
Academic	No exemption
Student Residences	50% exemption until June 30 2020
Affordable Housing	Dwelling units in an affordable housing project are exempt until Housing Services develops and implements a Development Charge Incentive Program
Agriculture	A farm business registration number is required to receive the exemption for bona-fide agricultural use as defined in section 1(c)
Places of Worship	Revenue generating space and clergy residence not exempt.
Laneway Housing	100% exempt
Stepped Rates	Phased Non-residential rates only apply in CIPAs and BIAs
Downtown Hamilton CIPA	70% Downtown CIPA exemption provided for major office development (Class A, > 20,000 sq. ft.); For all other development within CIPA, exemption rates to be phased in for a 5-yr period, starting July 6, 2019 and followed by each DC annual indexing anniversary at 60%,50%,40%,40%,40%.

Next Steps

- 2019 DC By-Law Passage – June 12, 2019 Council
 - 2019 DC By-law effective July 6, 2019
 - Pamphlet made available
 - Notice of Passing placed in newspapers
 - Last day for appeal is 40 days after passage (July 22, 2019)
- Monitor Bill 108



THANK YOU



Residential (Single Detached) Comparison

Service	Current	Calculated for Addendum Report
City Wide Services:		
Services Related to a Highway	8,939	10,769
Public Works Facilities, Vehicles & Equipment	333	784
Police Services	421	524
Fire Protection Services	371	462
Transit Services	544	1,917
Parkland Development	1,479	2,352
Indoor Recreation Services	2,271	4,430
Library Services	642	1,045
Administrative Studies - Community Based Studies	335	335
Administrative Studies - Engineering Services Studies	460	161
Paramedics	39	137
Long Term Care	257	125
Health Services	28	1
Social & Child Services	31	15
Social Housing	583	648
Airport lands	261	419
Parking services	366	490
Provincial Offences Administration	25	40
Hamilton Conservation Authority	24	-
Waste Diversion	Previously Ineligible	657
Total City Wide Services	17,409	25,311
Water and Wastewater Urban Area Charges:		
Wastewater Facilities	4,090	4,048
Wastewater Linear Services	5,151	5,415
Water Services	4,603	4,767
Total Water and Wastewater Urban Area Services	13,844	14,230
Stormwater Charges:		
Stormwater Drainage and Control Services (Combined Sewer System)	7,065	3,948
Stormwater Drainage and Control Services (Separated Sewer System)	7,065	10,462
GRAND TOTAL CITY WIDE	17,409	25,311
GRAND TOTAL URBAN AREA COMBINED SEWER SYSTEM	38,318	43,489
GRAND TOTAL URBAN AREA SEPARATED SEWER SYSTEM	38,318	50,003
Potential Services to be moved to Community Benefit Charge	6,302	9,900
Difference		3,598



Hamilton

REPORT 19-004
GOVERNANCE REVIEW SUB-COMMITTEE
Thursday, May 28, 2019
1:00 pm, Council Chambers
Hamilton City Hall

Present: Councillors T. Whitehead (Chair), M. Wilson (Vice-Chair), M. Pearson, B. Clark, and L. Ferguson

Absent: Councillor A. VanderBeek - Personal

THE GOVERNANCE REVIEW SUB-COMMITTEE PRESENTS REPORT 19-004 AND RESPECTFULLY RECOMMENDS:

1. Pregnancy and Parental Leave for Members of Council Policy (CL19007) (City Wide) (Item 10.1)

That Council approve the "Pregnancy and Parental Leave for Members of Council Policy" attached as Appendix 'A' to Governance Review Sub-Committee Report 19-004.

2. Additional Administrative Support for Councillors' Offices (Item 11.1)

WHEREAS, the current allotment for vacation and sick leave is insufficient for Councillor administrative staff whose accumulated vacation entitlement exceeds the amount of coverage currently provided in the ward office budgets (2 weeks);

WHEREAS, our social media and engagement policies and practices at the city have been successful in engaging more residents than ever before with their ward Councillors' offices subsequently requiring closer monitoring by staff and Councillor's to these outlets to efficiently respond to constituent concerns;

WHEREAS, a 0.5 FTE administrative support person would provide greater continuity in the office by facilitating coverage of the FTE person resulting in a more seamless exchange between the constituent and the ward office staff on a given issue or concern;

WHEREAS, a single staff person often deals with complex issues or projects to support their Councillor's initiatives requiring them to exercise greater responsibilities beyond basic constituency matters;

WHEREAS, the amount of work in each ward office is substantial and can be clearly demonstrated through activity levels there is a need to ensure we have the resources to protect the health and wellbeing of our admins who may incur negative impacts due to increased stress or burnout;

THEREFORE, BE IT RESOLVED:

That the administrative support previously allocated to old wards 7 & 8 of \$177,000 to be equally allocated across all new wards (or \$11,800 per ward), be approved.

FOR INFORMATION:

(a) CHANGES TO THE AGENDA (Item 2)

The Committee Clerk advised that there were no changes to the agenda.

The May 28, 2019 Agenda of the Governance Review Sub-Committee was approved, as presented.

(b) DECLARATIONS OF INTEREST (Item 3)

There were no declarations of interest.

(c) APPROVAL OF MINUTES (Item 4)

(i) April 25, 2019 (Item 4.1)

The Minutes of the April 25, 2019 meeting of the Governance Review Sub-Committee were approved, as presented.

(d) MOTIONS (Item 11)

(i) Additional Administrative Support for Councillors' Offices (Item 11.1)

That sub-section (a) to the motion respecting Additional Administrative Support for Councillors' Offices be amended by deleting sub-section (a) and replacing it with the following in lieu thereof:

~~(a) That an additional 0.5 FTE for administrative support at gross cost of \$339,000 (or \$22,600 per ward) starting on July 1st, 2019 and an annualized gross cost of \$678,000 (or \$45,200 per ward), be approved; and,~~

- (a) *That the year-end surplus of the Ward Office Budgets within the Legislative Reserve, be split evenly among the 15 Wards and the Mayor's Office on an annual basis.*

(e) **ADJOURNMENT (Item 15)**

There being no further business, the Governance Review Sub-Committee meeting adjourned at 1:54 p.m.

Respectfully submitted,

Councillor T. Whitehead, Chair
Governance Review Sub-Committee

Angela McRae
Legislative Coordinator
Office of the City Clerk

Appendix 'A' to Item 1 of Governance Review Sub-Committee Report 19-004**Policy Number:** CL01-2019**Effective Date:** June 12, 2019**Review Date:** As required due to Legislative Changes**Status:** Current**Council Approval:** June 12, 2019**CITY OF HAMILTON**

**PREGNANCY AND PARENTAL LEAVE
FOR MEMBERS OF COUNCIL
POLICY**

1.0	PURPOSE
1.1	To provide a clear and transparent process for Members of Council requesting and taking a pregnancy or parental leave in a manner that respects the Members' statutory role or appointment.
2.0	SCOPE
2.1	This policy applies to Members of Council
3.0	POLICY STATEMENT
3.1	The City of Hamilton recognizes the right of a Member of Council to take leave related to the Member's pregnancy, the birth of a Member's child or the adoption of a child by a Member in accordance with the provisions of the Municipal Act, 2001, as amended. The City is committed to providing a clear and transparent process for Members on pregnancy and parental leave.
	Pregnancy or Parental Leave
3.2	Each Member of Council shall be entitled to a leave of absence from Council and Committee meetings for 20 consecutive weeks or less if the absence is the result of a Member's pregnancy, the birth of a Member's child, or the adoption of a child by the Member.
3.3	A resolution of Council is not required to authorize a pregnancy or parental leave of absence.
3.4	The Member requesting the leave shall complete Form 1 attached hereto and submit the completed form to the City Clerk at least eight (8) weeks prior to commencing their leave.

Pregnancy and Parental Leave for Members of Council Policy

3.5	Where there are emergent circumstances beyond the Member's reasonable control, the Member shall submit Form 1 to the City Clerk as much in advance as possible prior to commencing their leave or as soon as possible after commencing their leave.
3.6	For greater certainty, nothing herein shall prevent a Member from exercising their leave of absence for failing to submit Form 1 prior to the commencement of their leave on account of emergent circumstances beyond the Member's reasonable control.
	Office does not become Vacant
3.7	The office of a Member shall not become vacant if a Member is absent for 20 consecutive weeks or less if the absence is the result of the Member's pregnancy, the birth of a Member's child, or the adoption of a child by the Member.
	Member Exempt from Attending Meetings
3.8	A Member on Pregnancy or parental leave shall be exempt from attending Council, Committee Agency or Board meetings, which the Member has been appointed.
	Receipt of Correspondence, Agendas, Minutes while on Leave
3.9	If agreed to by the Member on Form 1, the Member shall continue to receive copies of all Council, Committee, Agency and Board communications and correspondence, including notices of regular and special meetings, all meeting agendas and related material (public and confidential), and minutes of meetings.
	Member may Attend Meeting while on Leave
3.10	A Member on pregnancy or parental leave may attend Council, Committee, Agency and Board meetings or constituent meetings and/or events at their discretion, and may cast a vote on any matter before Council, a Committee, Agency or Board to which the Member has been appointed at any meeting they attend.
3.11	The Member on pregnancy or parental leave shall advise the City Clerk if they will be attending a Council, Committee, Agency or Board meeting during their leave.
	Responding to Communications
3.12	A Member on pregnancy or parental leave may respond to communications at a level that the Member determines and shall utilize an automatic reply e-mail feature to identify that they are on leave.
	Meeting Attendance does not Extend or Terminate the Leave
3.13	If a Member decides to attend meetings intermittently during their leave, this shall not extend the leave for any additional weeks nor shall it be construed as terminating the Member's leave.

Pregnancy and Parental Leave for Members of Council Policy

	Council May Make Temporary Appointments
3.14	If deemed appropriate, Council may make temporary appointments to fill any vacancies of the Member to Council Committees, Agencies or Boards to which the Member has been appointed.
	Remuneration
3.15	A Member on pregnancy or parental leave shall continue to receive all remuneration and benefits afforded to Members of Council.
	Return from Leave
3.16	Upon a Member's return from a pregnancy or parental leave they shall resume all appointments to Council, Committees, Agencies and Boards that were held prior to the leave.
	Failure to Return from Leave
3.17	In the event, that the Member fails to attend Council, Committee, Agency or Board meetings after the expiry of their leave, the Member's seat may be declared vacant by Council in accordance with the terms and conditions of the City's Pregnancy and Parental Leave for Members of Council Policy and the provisions of the <i>Municipal Act, 2001</i> .
4.0	RESPONSIBILITIES
4.1	City Council is responsible for approving and maintain this Policy.
4.2	Individual Members of Council are responsible for completing and submitting the required notice (Form 1) of pregnancy and parental leave to the City Clerk in accordance with this Policy.
4.3	The City Manager is responsible for advising Council and the Senior Leadership Team of the Member's pregnancy or parental leave and the expected duration thereof.
	APPENDICES
Form 1	Notice of Pregnancy or Parental Leave for Members of Council



CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Financial Planning, Administration and Policy Division
and
Legal and Risk Management Services Division

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	June 6, 2019
SUBJECT/REPORT NO:	Bill 108 <i>"More Homes, More Choice Act, 2019"</i> - Schedule 3 Comment Submission (FCS19057 / LS19023) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Lindsay Gillies (905) 546-2424 Ext. 2790 Joseph Spiler (905) 546-2424 Ext. 4519 Michael Kovacevic (905) 546-2424 Ext. 4641
SUBMITTED BY: SIGNATURE:	Mike Zegarac General Manager, Finance and Corporate Services Corporate Services Department
SUBMITTED BY: SIGNATURE:	Nicole Auty City Solicitor Legal and Risk Management Services

RECOMMENDATION(S)

- (a) That Council endorse the draft comments, recommendations and requests submitted to the Province on May 29, 2019 in response to Schedule 3 (Development Charges Act, 1997) of Bill 108, *More Homes More Choice Act, 2019* attached as Appendix "A" to Report FCS19057 / LS19023, as the City's official comments;
- (b) That the General Manager of Finance and Corporate Services be authorized and directed to confirm the submissions made to the Province attached as Appendix "A" to Report FCS19057 / FCS19023, as the City's official comments;

SUBJECT: Bill 108 "More Homes, More Choice Act, 2019 - Schedule 3 Comment Submission (FCS19057 / LS19023) (City Wide) - Page 2 of 6

- (c) That the General Manager of Finance and Corporate Services, in consultation with the City Solicitor, be authorized to make submissions on Bill 108, More Homes, More Choice Act, 2019 and any associated regulations consistent with the concerns raised in Report FCS19057 / LS19023 and Appendix "A" to Report FCS19057 / LS19023;
- (d) That the Clerk forward this report to the Ministry of Municipal Affairs and Housing; and the Ministry of Environment, Conservation and Parks; Hamilton's Members' of Provincial Parliament (Donna Skelly - Flamborough—Glanbrook, Andrea Horwath - Hamilton Centre, Paul Miller - Hamilton East—Stoney Creek, Monique Taylor - Hamilton Mountain and Sandy Shaw - Hamilton West—Ancaster—Dundas) and the Association for Municipalities Ontario.

EXECUTIVE SUMMARY

On May 2, 2019, Bill 108, *More Homes, More Choice Act, 2019*, (Bill 108) was introduced at the Ontario Legislature. If enacted, this Bill would make amendments to 13 different statutes. The purpose of Report FCS19057 / LS19023 is to provide information on the changes proposed to be made to the *Development Charges Act, 1997*, S.O. 1997, c. 27 (DC Act) and the associated amendments through to Section 37 of the *Planning Act*, R.S.O. 1990, c.P.13 (Planning Act).

The commenting period, provided by the Province of Ontario, for Bill 108 closed at 11:59 pm on June 1, 2019. Given the short timeline and as communicated to Council through an Information Update on May 14, 2019, staff assembled a letter (attached as Appendix "A" to Report FCS19057 / LS19023) that highlights initial requests along with concerns and pressures that have the potential to impact Hamilton taxpayers in an unfavourable fashion, as well as, constrain the financial sustainability of the City. Report FCS19057 / LS19023 seeks to have Council endorse the draft comments forwarded to the Province as the City's official comments.

The Province has not released information on the regulations required for implementation of Bill 108 and therefore, it is not possible to fully understand the implications of the changes proposed by this Bill.

Key changes to the DC Act through Bill 108:

- Removal of "soft services" from the DC Act;
- Expand the mandatory exemption for secondary or ancillary dwelling units in a manner that has not yet been prescribed;
- Delay the payment of DCs for several forms of development;
- Freeze the DC rate at the later of site plan or zoning application; and

SUBJECT: Bill 108 "More Homes, More Choice Act, 2019 - Schedule 3 Comment Submission (FCS19057 / LS19023) (City Wide) - Page 3 of 6

- A proposed new Planning Act Section 37 which removes density bonusing provisions and combines the soft services being removed from the DC Act and parkland dedication collected under Section 42 of the Planning Act into one new consolidated charge.

These changes have been proposed without tools to allow a municipality to protect itself from collection risk, without regard for cash flow implications and municipal debt levels, without regard for the added administration and systems enhancement needed to implement such changes and without regard for the impact on services or property taxes.

In some instances, the proposed changes through Schedule 3 of Bill 108 support efforts that the City has taken steps to implement such as the exemption of secondary suites. The City also acknowledges and supports the need to improve the diversity and affordability of housing.

Staff have prepared draft comments and requests included as Appendix "A" to Report FCS19057 / LS19023. These comments were forwarded through the Environmental Registry of Ontario commenting portal for Schedule 3 of Bill 108 on May 29 ,2019. Report FCS19057 / LS19023 seeks to have Council endorse the draft comments forwarded to the Province as the City's official comments.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: There are no financial implications related to the endorsement and submission of comments which is what Report FCS19057 / LS19023 recommends.

Related to the changes that Bill 108 proposes to the DC Act, the impacts are to be determined after a review of the regulations. The regulations have not been released by the Province. Staff will report back to Committee once the regulations are released and the Bill has received Royal Assent; or earlier as appropriate.

Staffing: There are no staffing implications related to the endorsement and submission of comments which is what Report FCS19057 / LS19023 recommends.

Related to the changes that Bill 108 proposes to the DC Act, it is expected that additional administration support, in the form of full-time equivalent positions (FTEs), will be required to support the effective implementation and management of the proposed Bill 108 changes. The specific details on these costs will be assessed once the regulations are released by the Province and

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

SUBJECT: Bill 108 "More Homes, More Choice Act, 2019 - Schedule 3 Comment Submission (FCS19057 / LS19023) (City Wide) - Page 4 of 6

will be presented through a staff report later this year of as part of the 2020 budget process.

Legal: There are no legal implications related to the endorsement and submission of comments which is what this Report recommends.

Legal Services and the Financial Planning, Administration and Policy Division will continue to monitor the status of Schedules 3 and the related section of Schedule 12 of Bill 108 and report back as necessary.

HISTORICAL BACKGROUND

On May 2, 2019, the Ontario Government released the Housing Supply Action Plan that is intended to "cut red tape to create conditions that make it easier to build housing." To implement the Housing Supply Action Plan, the Province of Ontario is proposing legislative changes. Bill 108 was tabled in the Ontario Legislature on May 2, 2019 to give effect to many of the measures outlined in the Housing Supply Action Plan. Bill 108 proposes changes to the DC Act as well as 12 other Acts.

On May 14, 2019, staff provided the Mayor and Members of City Council an Information Update that provided an initial summary of the proposed changes impacting the fees currently levied under the DC Act. Specifically, the proposed changes contained in Bill 108 through Schedule 3, amendments to the DC Act and the associated amendments through Schedule 12 to Section 37 of the Planning Act. Changes made through other schedules of Bill 108 will be discussed in separate reports brought to the attention of Council by other divisions.

The Province of Ontario has not yet released regulations to clarify how the broad changes through the proposed Bill 108 would be implemented. As part of the City's submission, staff requests further consultation to provide feedback on all aspects of Bill 108, inclusive of the regulations.

At the time of the drafting of Report FCS19057 / LS19023, Bill 108 had completed its Second Reading at the Legislative Assembly and had been referred to Standing Committee. The Bill may then be debated further in Third Reading. If it passes Third Reading, it can receive Royal Assent whereupon Bill 108 becomes law. The Bill's changes would come into force upon each individual schedule's proclamation.

There are a significant number of proposed changes that necessitate the creation of regulations. As indicated, no regulations have been proposed at this time, making it difficult to understand the implications of the changes. Through the comments, attached as Appendix "A" to Report FCS19057 / LS19023, which staff are asking Council to endorse, the City requests a thorough stakeholder consultation process and further consultation to provide feedback on all aspects of Bill 108, inclusive of the regulations.

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

SUBJECT: Bill 108 "More Homes, More Choice Act, 2019 - Schedule 3 Comment Submission (FCS19057 / LS19023) (City Wide) - Page 5 of 6

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

There are no policy implications or legislative requirements related to the endorsement and submission of comments attached as Appendix "A" to Report FCS19057 / LS19023 which is what Report FCS19057 / LS19023 recommends.

The City will need to take a cross-departmental approach in reviewing the impacts of the legislation as regulations are released to determine how to support the effective implementation and management of the changes arising through Bill 108.

RELEVANT CONSULTATION

- Planning and Economic Development Department
- Public Works Department

Upon receipt of the legislation, a further cross-departmental review and assessment is required in order to assess and quantify the impacts of the proposed changes to the DC Act.

ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)

The commenting period, provided to municipalities by the Province of Ontario, for Bill 108 More Homes, More Choice Act, 2019 (Bill 108) closed at 11:59 pm on June 1, 2019. Given the short timeline and as communicated to Council through an information update on May 14, 2019, staff assembled a letter that highlights initial requests along with concerns and pressures that have the potential to impact Hamilton taxpayers in an unfavourable fashion, as well as, constrain the financial sustainability of the City. Report FCS19057 / LS19023 seeks to have Council endorse the draft comments forwarded to the Province as the City's official comments.

The changes proposed in Bill 108 are a significant departure from the current legislative framework. Staff comments and concerns are detailed in the draft comments submitted to the Province, attached as Appendix "A" to Report FCS19057 / LS19023.

If Bill 108 is enacted without maintaining full revenue neutrality, the changes proposed through Bill 108 have the potential to impact the financing of growth projects. In addition, the Bill adds significant administrative requirements, delays the cash flow of DCs and exposes municipalities to unnecessary financial risks.

ALTERNATIVES FOR CONSIDERATION

None.

SUBJECT: Bill 108 "More Homes, More Choice Act, 2019 - Schedule 3 Comment Submission (FCS19057 / LS19023) (City Wide) - Page 6 of 6

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**Community Engagement and Participation**

Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.

Economic Prosperity and Growth

Hamilton has a prosperous and diverse local economy where people have opportunities to grow and develop.

Healthy and Safe Communities

Hamilton is a safe and supportive City where people are active, healthy, and have a high quality of life.

Clean and Green

Hamilton is environmentally sustainable with a healthy balance of natural and urban spaces.

Built Environment and Infrastructure

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

Culture and Diversity

Hamilton is a thriving, vibrant place for arts, culture, and heritage where diversity and inclusivity are embraced and celebrated.

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" – City of Hamilton Submission on Bill 108: *More Homes, More Choice Act, 2019* Schedule 3

LG/JS/MK/dt

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.



City of Hamilton
City Hall, 71 Main Street West
Hamilton, Ontario
Canada L8P 4Y5
www.hamilton.ca

General Manager, Finance and Corporate Services
Corpora Services Department
71 Main Street West, 1st Floor
Phone: 905.540.6150
Email: mike.zegarac@hamilton.ca

May 29, 2019

ERO Number: 019-0017

Honourable Steve Clark
Minister of Municipal Affairs and Housing
17th Floor, 777 Bay Street
Toronto, ON MSG 2E5

Dear Minister Clark:

Subject: City of Hamilton Submission on *Bill 108: More Homes, More Choice Act*, 2019 Schedule 3

Thank you for the opportunity to provide comments on the proposed Bill 108 - *More Homes, More Choices Act, 2019* (Bill 108). Please accept the following draft comments, for consideration, with respect to Schedule 3 of Bill 108.

As communicated by the Province of Ontario, the Provincial commenting period closes at 11:59pm on June 1, 2019. Given the short timeline provided to municipalities to comment on Bill 108, City of Hamilton (City) staff has assembled a letter that highlights initial requests along with concerns and pressures that have the potential to impact Hamilton taxpayers in an unfavourable fashion as well as constrain the financial sustainability of the City. The City's final comments will be forwarded to the Province once they have been endorsed by Council in June 2019.

The Province states that:

"If passed, the proposed changes to the Development Charges Act, 1997 would:

- Support a range and mix of housing options, and boost housing supply;*
- Increase the certainty of costs of development;*
- Make housing more attainable by reducing costs to build certain types of homes; and*
- Make other complementary amendments to implement the proposed reforms, including in relation to transitional matters."*

In some instances, the proposed changes through Schedule 3 of Bill 108 support efforts that the City has taken steps to implement such as the exemption of secondary suites.

The City provides that, if passed as written, the changes to the *Development Charge Act, 1997* could also:

- increase municipal property taxes;
- increase municipal debt;

**Subject: City of Hamilton Submission on Bill 108: More Homes, More
Choice Act, 2019 Schedule 3
May 29, 2019**

Page 2 of 16

- increase municipal administration;
- increase Development Charges for the remaining services;
- reduce municipal services; and,
- if done without maintaining revenue neutrality, may slow the rate at which municipalities can afford growth.

Notwithstanding the above, the Province has not yet released regulations to clarify how the broad changes through the proposed Bill 108 would be implemented. The City's insights are broad because these regulations have not been communicated to municipalities and the public. The City requests further consultation to provide feedback on all aspects of Bill 108; inclusive of the regulations.

The City is concerned with changes proposed by Bill 108. The changes are a significant departure from the current legislative framework and undermine an effective tool for creating vibrant communities. Reducing development charges will not make housing more affordable. Restricting cost recovery tools does not guarantee lower house prices. House prices are set by the market. The changes proposed by Bill 108 would require extensive administration and expose municipalities to collection risks.

If more municipal operating revenues are needed to cover the cost of growth, it will be at the expense of maintaining existing capital assets, levels of services, or current property tax rates. In addition, municipalities may not have the funds available to put the infrastructure in place needed for development to occur in a timely manner. Further restricting cost recovery tools is counterproductive and will increase inequities within communities. These are unintended consequences that will undermine the health and vibrancy of Ontario's communities.

The City requests the Province to reconsider the entirety of Schedule 3 to Bill 108 under the guiding principles:

- Growth should pay for growth;
- Complete, vibrant communities are good for everyone;
- Provincial legislation related to municipal governance should be enabling and permissive; and
- Provincial red tape costs municipalities time and money.

These are the guiding principles used in the Schedule 3 comments being submitted by the Municipal Finance Officers' Association of Ontario (MFOA). These guiding principles are supported by the City and are not upheld within the proposed changes through Schedule 3 of Bill 108.

All other comments and requests have been prepared should the proposed changes to the *Development Charges Act, 1997* remain despite the previous recommendation.

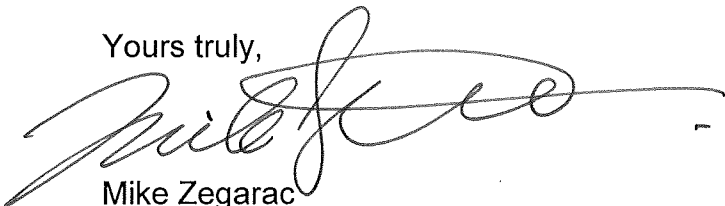
The City's draft comments and requests have been detailed in the attached list which is organized by section of the *Development Charges Act, 1997*. The City requests that all comments and requests be reviewed and considered by the Province.

**Subject: City of Hamilton Submission on Bill 108: More Homes, More
Choice Act, 2019 Schedule 3
May 29, 2019**

The changes through Schedule 3 of Bill 108 are intricately entangled with the changes to Section 37 of the *Planning Act, 1990* through Schedule 12 of Bill 108. The City of Hamilton is submitting comments through both commenting portals on the Environmental Registry of Ontario (ERO) website and has provided overlapping comments in this, Schedule 3, submission. In addition, the City will concurrently be submitting comments on other Schedules of Bill 108 such as Schedules 5, 9 and 11.

Thank you again for the opportunity to provide meaningful input into this review. We look forward to reviewing regulations and, ultimately, the final version of Bill 108. City of Hamilton staff would be pleased to meet with you to discuss these comments in greater detail.

Yours truly,



Mike Zegarac
General Manager, Finance and Corporate Services
Corporate Services Department

- c.c. -
Nicole Auty, City Solicitor
Michael Kovacevic, City Solicitor
Steve Robichaud, Director of Planning and Chief Planner
Anita Fabac, Manager of Development Planning, Heritage and Design
Brian McMullen, Director of Financial, Planning, Administration and Policy
Cindy Mercanti, Director of Customer Service, POA and Financial Integration
Joe Spiler, Manager of Capital Budgets and Development
Lindsay Gillies, Senior Financial Analyst, Capital Budgets & Development

**Subject: City of Hamilton Submission on Bill 108: More Homes, More
Choice Act, 2019 Schedule 3
May 29, 2019**

Page 4 of 16

**City of Hamilton Submissions on *Bill 108: More Homes, More Choice Act, 2019*
Schedule 3 – Development Charges Act, 1997**

Recommendation

The City requests the Province to reconsider the entirety of Schedule 3 to Bill 108 under the guiding principles:

- Growth should pay for growth;
- Complete, vibrant communities are good for everyone;
- Provincial legislation related to municipal governance should be enabling and permissive; and
- Provincial red tape costs municipalities time and money.

These are the guiding principles used in the Schedule 3 comments being submitted by the Municipal Finance Officers' Association of Ontario (MFOA). These guiding principles are supported by the City and are not upheld within the proposed changes through Schedule 3 of Bill 108.

All other comments and requests have been prepared should the proposed changes to the *Development Charges Act, 1997* remain despite the previous recommendation.

General Comments:

1. The City requests the Province to extend the June 1, 2019 timeline on the Environmental Registry of Ontario for comments on proposed Bill 108 to provide additional time for municipalities to comment on the proposed legislation.
2. The City requests the Province to consult with the City prior to issuing any draft regulations associated with proposed Bill 108, before the coming into force of the proposed Bill, such that the City can fully understand and be able to analyse the impact of the proposed Bill changes comprehensively, including the cumulative financial impacts to municipalities.
3. The City requests the Province to enshrine revenue neutrality in the proposed legislation and if not, create a municipal compensation fund to support municipalities whose revenues decline under the proposed community benefit charge regime.
4. The City requests the Province to provide a transparent and thorough stakeholder consultation process in the development of all regulations associated with proposed Bill 108.
5. The City requests the Province to provide the later of four years or the expiry of the current development charges by-law, from the date of enactment of the regulation that sets out any prescribed requirements for the community benefit charges (CBC) before a municipality must adopt a CBC By-law.

**Subject: City of Hamilton Submission on Bill 108: More Homes, More Choice Act, 2019 Schedule 3
 May 29, 2019**

Specific Comments:

Section / Change	Description	Comments / Insights	Requests to Province
2(3) Secondary Suites	The requirements related to exempting additional dwelling units within existing residential buildings has been reworded to include reference to additional dwellings in new residential buildings as well as ancillary structures; subject to prescriptions within the regulations (not yet released).	<p>It is unknown how many additional dwellings are to be permitted according to each class of residential building.</p> <p>It is unclear how duplexes / stacked townhouses and other multiple-dwelling forms of residential development would be considered in the regulations.</p> <p>An increase in the statutory exemptions will correlate into a reduction of cash flow needed to put municipal infrastructure in place to service the same population growth.</p>	<p>The City is supportive of encouraging more and varied forms of housing.</p> <p>The City requests the Province to ensure that the regulation expressly limits the number and size of additional/secondary dwelling units and the classes of housing types that they can be located in and prevents unintended units from qualifying (e.g. stacked townhouses).</p> <p>The City requests that the Province ensure that municipalities can remain revenue neutral as a result of this exemption, and any statutory exemptions, by permitting statutory exemptions to be adjusted for through the calculation of the per unit DC.</p>

**Subject: City of Hamilton Submission on Bill 108: More Homes, More Choice Act, 2019 Schedule 3
May 29, 2019**

Page 6 of 16

Section / Change	Description	Comments / Insights	Requests to Province
2(4) List of services that a DC can be collected for	<p>Previously, a municipality could calculate a DC for all services except for a prescribed list. Under the proposed Bill 108, a municipality can only calculate a DC for a prescribed list of services.</p> <p>The change limits the DC to the former 'hard' services and moves waste diversion to a 'hard' service. Other services that required a 10% mandatory deduction have been removed from eligibility in the DC calculation.</p>	<p>Municipalities are expected to provide services in addition to the prescribed list; such as parks, libraries, affordable housing, recreation centres, etc.</p> <p>The changes to Section 37 of the Planning Act, through Schedule 12, may provide an alternate tool (CBC By-law) for municipalities to collect funds for the services no longer eligible for inclusion in a DC By-law. The extent to which a CBC By-law will be able to offset the revenues lost from the DC By-law cannot be assessed until the regulations are released.</p> <p>Currently, there is a link between the charge for a service and the growth-related costs for the service. The proposed CBC needs to raise sufficient revenue to cover growth related costs for services captured by the CBC. If it does not, critical infrastructure will be significantly delayed, the cost burden will be transferred to existing taxpayers and ratepayers, or the infrastructure will not be built at all.</p>	<p>The City requests the Province to enshrine revenue neutrality in the proposed legislation and if not, create a municipal compensation fund to support municipalities whose revenues decline under the proposed community benefit charge regime.</p>
9.1 Transitional matters	<p>Provides transitional policies that appear to provide that 'soft' services would continue to be collected through a DC By-law until the earlier that a municipality adopts a CBC By-law or a prescribed date (not yet prescribed).</p>	<p>How the transition will apply to DC By-law passed after May 2, 2019 and before Bill 108 received Royal Assent is unclear.</p> <p>It is also unclear how debt payments for soft services issued under the DC Act may be impacted by the transition to a CBC. It is also unclear how budgeted, but not yet spent, soft service DC allocations will transition to a CBC. Without knowing what is contained in the regulations, it is possible that the costs may fall to existing property tax payers.</p>	<p>The City requests the Province to provide clear transition provisions which ensures recovery of growth costs and avoids confusion to development proponents.</p> <p>The City requests the Province to prescribe the date to be the later of the expiry of the current/2019 DC By-law or four years from Bill 108 receiving Royal Assent.</p> <p>The City requests the Province to prescribe transition provisions for debt issued for soft services under the existing DC Act as well as funds approved to be spent under the existing DC Act in such a way that municipalities are able to recover the same costs from growth.</p>

Subject: City of Hamilton Submission on Bill 108: More Homes, More Choice Act, 2019 Schedule 3
May 29, 2019

Page 7 of 16

Section / Change	Description	Comments / Insights	Requests to Province
26.1 Introduction of instalment payments <i>... Continued on following page</i>	Payment of DCs for rental and non-profit housing, and institutional, industrial, and commercial development will be payable in equal instalment commencing at occupancy and each year for the following five years. Interest will be able to be added at a prescribed rate (not yet prescribed).	<p>Other Bill 108 changes mean that only the 'hard' services are eligible to be included in the DC calculation. Infrastructure such as water, wastewater and storm service is required to be in place prior to development occurring. Receiving the DC to pay for this infrastructure up to six years after occupancy will necessitate an increase in municipal debt.</p> <p>Delaying the receipt of DCs does not change the types of infrastructure needed to service land. The proposed plan will hurt municipal cash flow and could result in unsustainable levels of debt. The proposed instalment plan will delay the works needed to permit development of any kind. This will adversely affect the supply of serviced land and housing supply.</p> <p>Financing costs are eligible costs in the DC Act and therefore the interest related to the required increased debt will become part of the calculated DC, thereby increasing the DC. Any financing costs that cannot be added to the DC will be a burden on existing tax and rate payers.</p> <p>The increased debt will impact a municipality's annual repayment limit, which could lead to Councils being faced with the decision between debt to upgrade existing services or debt to service growth.</p> <p>There is no ability for a municipality to register a notice on title regarding unpaid DCs. There is no clear mechanism that municipalities can use to protect themselves from the risk non-payment. Many events can occur over an extended payment period which add complications to the collections process, including changes in ownership, bankruptcies, mergers and acquisitions of companies, and changes in use for e.g. condo conversions (rental to residential).</p>	<p>The City requests that the Province remove the mandatory instalment terms and allow municipalities to determine when and if a deferral is appropriate using Section 27 and to provide municipalities with the ability to register notice of a DC deferral on title.</p> <p>Alternatively,</p> <p>The City requests that the Province provide authority to register notice of DC instalment payments on title.</p> <p>The City requests that the Province provide clear definitions of the development types that will pay DCs in instalments, including how mixed-uses will be treated.</p> <p>The City requests the Province prescribe a threshold that where the DC payable is under the prescribed threshold (e.g. \$500 K) that the DC be payable at permit issuance regardless of the type of development.</p> <p>The City requests the Province define "person", e.g. the person required to pay a DC and the person required to provide notice of occupancy.</p> <p>The City requests that non-residential developments be removed from Section 26.1 as it is outside the scope of increasing affordable housing and will ultimately result in increased DCs required due to increased debt.</p>

**Subject: City of Hamilton Submission on Bill 108: More Homes, More Choice Act, 2019 Schedule 3
 May 29, 2019**

Section / Change	Description	Comments / Insights	Requests to Province
<p>... Continued from previous page</p> <p>26.1 Introduction of instalment payments</p>		<p>There is no clarity on how mixed-use development will be handled.</p> <p>Administering and enforcing the payment schedule will be challenging and will require the use of additional resources. Municipalities will need to keep track of rates for different developments, ensure payments are made as set out, and pursue alternative collection methods if needed. Municipalities may need to charge higher planning fees to recover the additional administrative burden. The administration of such payment system is not built within the functionality of existing development software or considered in the administration budget of a municipality; it would require a municipality to face increased costs.</p> <p>There is no minimum DC to trigger this payment system, meaning that a conversion or expansion that triggers a \$1,000 DC payable would be payable in six annual instalments commencing at occupancy.</p> <p>There is no clarity as to who the "person" is that is required to inform a municipality of occupancy.</p> <p>Reduces the ability/need for a municipality to utilize Section 27 deferral agreements.</p> <p>It is not clear how the instalments for non-residential development will aid with the supply and affordability of housing stock.</p>	

**Subject: City of Hamilton Submission on Bill 108: More Homes, More Choice Act, 2019 Schedule 3
May 29, 2019**

Page 9 of 16

Section / Change	Description	Comments / Insights	Requests to Province
<p>26.2 Freezing DCs - Setting the applicable DC rate at an earlier point in time</p> <p>... Continued on following page</p>	<p>The applicable DC rate will be set at the later of an application for site plan or zoning by-law, subject to a maximum period of time from approval of the relevant application (not yet prescribed); otherwise the date of building permit issuance applies.</p> <p>Interest will be able to be added from date the DC is set to date of payment, at a prescribed rate (not yet prescribed).</p>	<p>There is concern that unnecessary planning applications will be made to freeze the DC rate.</p> <p>Freezing DC rates well in advance of building permit issuance will produce a shortfall in the amounts needed to cover growth related costs. This will further move away from the concept of growth paying for growth.</p> <p>The proposal could also reduce the speed with which developers build by removing the financial incentive to move quickly to building permit.</p> <p>Freezing the DCs may have an impact on land values and increase investor speculation rather than achieving the goal of more and varied housing stock.</p> <p>Creates administrative complexity to determine what rate applies at time of permit issuance.</p> <p>Creates administrative complexities for determining DC exemption policy and necessitates a review of how DC exemption policy is used in a municipality's DC By-law.</p> <p>The City's current site plan practice is to ensure timely site plan approval. Applications are scheduled for consideration at the Development Review Team meeting within 4 – 6 weeks of receipt of a complete application. If there are no major issues or concerns with the application, conditional site plan approval is granted and the applicant has one year to satisfy the conditions of site plan approval and obtain a building permit. The City receives and considers an average of 128 site plan applications annually (excluding minor applications, applications in the rural area or infill applications for single detached dwellings).</p>	<p>The City requests the Province to limit the prescribed time period to one year.</p> <p>The City requests the Province to change the date that sets the DC rate to the same date that the prescribed amount of time applies from, i.e., the approval date versus the currently stated application date.</p>

**Subject: City of Hamilton Submission on Bill 108: More Homes, More Choice Act, 2019 Schedule 3
 May 29, 2019**

Section / Change	Description	Comments / Insights	Requests to Province
<p><i>... Continued from previous page</i></p> <p>26.2 Freezing DCs - Setting the applicable DC rate at an earlier point in time</p>		<p>The applicant controls the timing for the clearing of the site plan conditions and obtaining a building permit. If the conditions of site plan approval and issuance of a building permit cannot be obtained within the one year time frame, the applicant can apply for a site plan approval extension, and subsequent extensions for a further one year can be granted.</p> <p>The Planning Division processes approximately 10 site plan extension requests annually. This means that 93% of applicants obtain a building permit within one year.</p> <p>Based on the above, the prescribed time period should be limited to a maximum of one year.</p>	

**Subject: City of Hamilton Submission on Bill 108: More Homes, More Choice Act, 2019 Schedule 3
May 29, 2019**

Related Schedule 12 (Planning Act, 1990) Comments:

Section / Change	Description	Comments / Insights	Requests to Province
<p>Schedule 12 37 Community Benefits Charge (CBC) By-law</p>	<p>Current density bonusing provision will be replaced with new CBC provisions.</p> <p>A municipality can have only one CBC By-law.</p>	<p>Under the new s37, there is no mechanism for increasing height and density zoning of development projects, which typically enables intensification and supports the province's goal of increasing the housing supply. The removal of this mechanism, parkland under s42, and the significant changes to charges for growth-related capital (DCs and CBCs), leaves municipalities with fewer revenue tools.</p> <p>In the City's experience neighbourhood associations in and around the Downtown supported a s37 process as it provided certainty and a mechanism to achieve community benefits as a result of tall building development. There were no appeals to the s37 provisions in the new Downtown Secondary Plan or in implementing zoning by-law.</p> <p>The new s37 does not permit a CBC By-law to contain area specific rates for different parts of a municipality.</p> <p>A municipality is only permitted to have one CBC By-law and there is no ability for a municipality to provide exemptions which suggests that a municipality cannot have varying, or area specific, CBCs.</p> <p>A CBC is of no benefit to the City if the calculation does not permit a charge at a rate higher than the parkland dedication rates to ensure that the CBC is sufficient to pay for parks, libraries and other essential soft services.</p> <p>A CBC makes sense in an urban area where it isn't possible to build a traditional park but, as currently written, the legislation will pit urban vs suburban areas in terms of how the charge is calculated and the monies spent if the CBC stays at the equivalent of a parkland dedication rate.</p>	<p>The City requests the Province to enable a municipality to have a city-wide community benefit charge by-law or area-specific by-laws provided only one community benefit by-law applies in any given area;</p> <p>The City requests the Province to include the ability to set varying CBC rates for different areas/zones within a municipality.</p> <p>The City requests the Province to enshrine revenue neutrality in the proposed legislation and if not, create a municipal compensation fund to support municipalities whose revenues decline under the proposed community benefit charge regime.</p>

**Subject: City of Hamilton Submission on Bill 108: More Homes, More Choice Act, 2019 Schedule 3
May 29, 2019**

Section / Change	Description	Comments / Insights	Requests to Province
Schedule 12 37 (4), 37 (5), Exclusions	A CBC will not be able to be imposed on prescribed types of development (not yet prescribed) and cannot be imposed for services collected through a DC By-law or for a prescribed list of services (not yet prescribed)	<p>Limitations will be placed on what services a municipality can collect for through a CBC By-law and what types of developments are subject to a CBC.</p> <p>There is no express statement allowing municipalities to establish exemptions from CBCs.</p>	<p>The City requests the Province to enshrine revenue neutrality in the proposed legislation and if not, create a municipal compensation fund to support municipalities whose revenues decline under the proposed community benefit charge regime.</p> <p>The City requests the Province to clearly prescribe any limitations on services or types of development subject to a CBC after a transparent and thorough stakeholder consultation process.</p> <p>The City requests the Province to allow municipalities to establish their own exemption policy for CBCs.</p>

**Subject: City of Hamilton Submission on Bill 108: More Homes, More Choice Act, 2019 Schedule 3
May 29, 2019**

Section / Change	Description	Comments / Insights	Requests to Province
<p>Schedule 12 37 (6), (7), (8) In-kind contributions</p>	<p>A municipality may allow an owner of land to provide to the municipality facilities, services or matters and the municipality shall provide a value to that provision which will be deducted from the CBC the developer is required to pay.</p>	<p>No authority to enter into or register an agreement for an in-kind contribution is included in the legislation.</p> <p>No authority to require the owner of land to provide a facility, service or matter. For certain matters (e.g., parkland) municipalities should be able to require the matter to be provided in-kind.</p>	<p>The City requests the Province to add the following provisions to Section 37 of the <i>Planning Act</i> as 37(6.1) and (6.2) in Schedule 12:</p> <p>a) "6.1 Where an owner of land elects to provide an in-kind facility, service or matter because of development or redevelopment in the area to which a community benefits charges by-law applies, the municipality may require the owner to enter into one or more agreements with the municipality dealing with the facility, service or matter."</p> <p>b) "6.2 Any agreement entered into under subsection (6.1) may be registered against the land to which it applies and the municipality is entitled to enforce the provisions thereof against the owner and, subject to the provisions of the <i>Registry Act</i> and the <i>Lands Titles Act</i>, any and all subsequent owners of the land."</p> <p>The City requests the Province to add the ability for a municipality to require a facility, service or matter in-kind under agreement which may be registered on title. See related request within Section 42.</p>

**Subject: City of Hamilton Submission on Bill 108: More Homes, More Choice Act, 2019 Schedule 3
May 29, 2019**

Section / Change	Description	Comments / Insights	Requests to Province
Schedule 12 37 (9) CBC Strategy	Before passing a CBC By-law a municipality must prepare a strategy that identifies the facilities, services and matters that will be funded with community benefits charges; and complies with any prescribed requirements (not yet prescribed).	There is currently no detail as to what is required in a CBC strategy or the prescribed requirements. There is no timeline for how long a CBC By-law can be active or requirements for updating. There is no detail as to how to calculate a CBC or restriction on that calculation other than Section 37(12).	<p>The City requests the Province to enshrine revenue neutrality in the proposed legislation and if not, create a municipal compensation fund to support municipalities whose revenues decline under the proposed community benefit charge regime.</p> <p>The City requests the Province to provide the later of four years or the expiry of the current development charges by-law, from the date of enactment of the regulation that sets out any prescribed requirements for the community benefit charges (CBC), before a municipality must adopt a CBC By-law.</p>
Schedule 12 37 (12) Max % of land value	The amount of a CBC is required not to exceed a prescribed percentage of the value of the land (not yet prescribed).	<p>The CBC cap will be a percentage of the land value. Different percentages for different municipalities or classes of municipalities and for different values of land may be prescribed by the Minister. The construction cost to provide parks, recreation centres, libraries, etc. is somewhat consistent across municipalities but land values vary significantly.</p> <p>Land values not only fluctuate throughout the year and between municipalities, they can also vary inside a municipality. Prescribing a percentage is tricky because:</p> <ul style="list-style-type: none"> (a) A less desirable neighbourhood will have lower land value but could have greater needs for 'soft' services; (b) Less populous municipalities can have higher growth-related costs due to the availability of fewer suppliers and fewer economies of scale; and (c) It can be very costly to provide services for new residents in built up communities. <p>This proposed one size fits all approach removes the necessary flexibility that municipalities need in order to ensure that infrastructure required by growth can be constructed in a manner that is fiscally sustainable and fair to all taxpayers.</p>	The City requests the Province to remove the cap based on land values and explore other options such as the current DC methodology or a cap based on construction value.

**Subject: City of Hamilton Submission on Bill 108: More Homes, More Choice Act, 2019 Schedule 3
May 29, 2019**

Section / Change	Description	Comments / Insights	Requests to Province
<p>Schedule 12 37 (13) to (22) Payment under protest</p>	<p>Where the owner is of the view that the required CBC exceeds the prescribed percentage of land value there is a back and forth appraisal process to settle the dispute.</p>	<p>There is no other appeal or complaint process in the legislation.</p> <p>A municipality will need to retain at least three appraisers at all times. Depending on how a CBC is to be calculated and the land values in a municipality, some municipalities may never be subject to payment under protest while others will regularly be challenged through this section. The administration of such a dispute process is not within the City's administration budget.</p> <p>The cost of an appraisal will need to be borne by municipalities and developers in resolving a payment under protest. Presently, this cost is estimated at a minimum of \$6,000 per appraisal. It is unclear if a CBC can recover this cost or if it will need to be passed to property tax payers.</p> <p>The cost of appraisals and the administration of such a dispute resolution system is not built within administration budget of a municipality; it would require a municipality to face increased costs.</p>	<p>The City requests the Province to remove the cap based on land values and explore other options such as the current DC methodology or a cap based on construction value with a corresponding revised dispute resolution process.</p>
<p>Schedule 12 37 (27) Spending requirement</p>	<p>Municipalities will be required to spend or allocate 60% of the CBC fund each year.</p>	<p>A system whereby funds are raised and immediately spent is not necessarily the most effective or financially responsible way to build a city.</p> <p>Municipalities need flexibility to plan to meet growth demands and respond to changing trends.</p> <p>The term "allocate" is not defined.</p> <p>Depending on how "allocate" is defined, this CBC requirement may not allow for the planning and construction of large dollar value facilities, services and matters with CBC funds.</p>	<p>The City requests the Province to define "allocate" such that Council approval of a proposed capital plan, in principle, meets the requirement.</p>

**Subject: City of Hamilton Submission on Bill 108: More Homes, More Choice Act, 2019 Schedule 3
May 29, 2019**

Section / Change	Description	Comments / Insights	Requests to Province
Schedule 12 37 (28) Reporting requirement	Municipalities shall provide prescribed reports to prescribed persons at such times as prescribed (not yet prescribed).	The reporting requirements are extremely vague.	The City requests the Province to provide clear, non-onerous, reporting regulations for one annual report.
Schedule 12 42 Parkland By-law	A Parkland By-law is no longer in effect once a CBC By-law has been passed.	If a municipality adopts a CBC By-law they lose the ability to require parkland within a subdivision.	The City requests the Province to amend Section 42 of the <i>Planning Act</i> to provide additional predictability and transparency between Sections 37 and 42, and to support the achievement of complete communities in accordance with Amendment 1 of the Growth Plan, 2017 as follows:
Schedule 12 51.1 Plan of Subdivision	Plans of subdivision that are approved with a condition of parkland dedication are not subject to a CBC By-law.	<p>This poses a financial risk to municipalities for subdivisions that are approved with Section 51.1 requirements and are developed after a municipality adopts a CBC By-law or the transition period ends.</p> <p>Subdivisions with Section 51.1 requirements will not pay a CBC meaning that the City will be short revenue for all the soft services that were removed from the DC Act. This will become a pressure on existing tax payers.</p>	<p>a) enable municipalities to secure the conveyance of land for park purposes as a condition of the development or redevelopment of land along with the ability to secure a community benefits (facilities) charge in accordance with Section 37 of the <i>Planning Act</i>;</p> <p>b) clarify that where a municipality secures the conveyance of land for park purposes as a condition of development or redevelopment, the community benefits (facilities) charge will not include a payment in lieu of parkland for the site;</p> <p>c) revise for residential development the maximum conveyance of land for park purposes to be based on a maximum per cent of the development site as determined through a community benefits (facilities) charge strategy and as established by by-law as opposed to 5 per cent of the land currently proposed in Bill 108; and</p> <p>d) allow municipalities to set different maximum rates for the conveyance of land for park purposes for residential development based on building type(s) and intensity of development to ensure equitable contributions between different types of residential development and to support parkland need generated by the development.</p>

CITY OF HAMILTON NOTICE OF MOTION

Audit, Finance & Administration Committee: June 6, 2019

MOVED BY COUCILLOR WILSON

Community Room at 120 Strathcona Avenue North

WHEREAS, residents of CityHousing Hamilton properties deserve dignified and safe, affordable housing; and,

WHEREAS, improvements to the interiors of CityHousing Hamilton community room helps prevent the negative impact of social isolation and promotes a healthy and engaged community;

THEREFORE, BE IT RESOLVED:

That \$5,000 be provided to CityHousing to help furnish the Community Room at 120 Strathcona Avenue North from the Ward 1 Discretionary Account No. 3301909100.