



# Summary of Changes for Development Charges and Community Benefits Charges

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*Development Charges Act Proposed Changes*

<b>Item</b>	<b>Bill 108 and Ontario Regulation 019-0184</b>	<b>Bill 138</b>	<b>Ontario Regulation 019-1406</b>
1. Transitional Timelines	Provides for transition to the community benefits charge (C.B.C.) authority during the period of January 1, 2020 to January 1, 2021.		Transitional timelines have been modified. The deadline will be one year after the C.B.C authority is in effect.
2. D.C. Payment Deferral  (note – definitions of development types also provided)	Provides for the deferral of D.C.s for: <ul style="list-style-type: none"> <li>- rental housing development (6 payments)</li> <li>- non-profit housing (21 payments)</li> <li>- institutional (6 payments)</li> <li>- industrial (6 payments)</li> <li>- commercial (6 payments)</li> </ul>	Commercial and industrial developments removed from deferral provision.	
3. D.C. Freeze for Site Plan and Zoning By-law Amendment	The D.C. quantum would be frozen “until two years from the date the site plan application is approved, or in the absence of the site plan application, two years from the date the zoning application was approved.”		
4. Maximum Interest Rates on D.C. Deferrals for Freeze	Minister is not proposing to prescribe a maximum interest rate that may be charged on D.C. amounts that are deferred or on D.C.s that are frozen.		

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5a. Additional Dwelling Units – Existing Units	It is proposed that the present exemption within existing dwellings be expanded to allow “the creation of an additional dwelling in prescribed classes of residential buildings and ancillary structures does not trigger a D.C.”		
5b. Additional Dwelling Units – New Units	In new single, semi and row dwellings (including ancillary structures), one additional dwelling will be allowed without a D.C. payment. Lastly, it is proposed that, “within other existing residential buildings, the creation of additional units comprising 1% of existing units” would be exempted.		
6. Eligible D.C. Services  (note – the mandatory 10% deduction is removed for all eligible D.C. services – former services where this applied noted by “*”)	Removes many services to C.B.C. – only allows for: <ul style="list-style-type: none"> <li>- Water</li> <li>- Wastewater</li> <li>- Stormwater</li> <li>- Roads</li> <li>- Fire</li> <li>- Police</li> <li>- Ambulance*</li> <li>- Waste Diversion*</li> </ul>		Adds additional services back to the D.C.: <ul style="list-style-type: none"> <li>- Parks*</li> <li>- Recreation*</li> <li>- Public Libraries*</li> <li>- Long-term Care*</li> <li>- Public Health*</li> </ul>

Planning Act Proposed Changes  
For Community Benefits Charges (C.B.C.)

Item	Bill 108 and Ontario Regulation 019-0183	Bill 138	Ontario Regulation 019-1406
1. Transitional Timelines	Provides for transition to the community benefits charge (C.B.C.) authority during the period of January 1, 2020 to January 1, 2021.		Transitional timelines have been modified. The deadline will be one year after the C.B.C authority is in effect.
2. Eligible Services	<ul style="list-style-type: none"> <li>- Provides for <b>all former D.C. services</b> to be included in C.B.C. Note that former D.C. excluded services are not eligible (i.e. facilities for cultural/entertainment, tourism, general administration of municipality/local board, hospitals, landfill sites/thermal treatment of waste).</li> <li>- <b>Parkland dedication.</b></li> <li>- <b>Bonus zoning contributions.</b></li> </ul>		<p>Changes made to add eligible services back to D.C. (i.e. parks, recreation, libraries, long-term care and public health).</p> <ul style="list-style-type: none"> <li>- also, the 10% mandatory deduction formerly applied to D.C.s is removed for all services.</li> </ul>
3. Community Benefits Formula	The C.B.C. payable cannot exceed the amount determined by a formula involving the application of a prescribed percentage to the value of the development land. The value of land that is used is the value on the day before the building permit is issued to		<p>The C.B.C. will be imposed as a percentage based on the market value of the land the day before building permit issuance. The maximum percentages for the C.B.C. are as follows:</p> <ul style="list-style-type: none"> <li>- Single-tier municipalities: 15%</li> </ul>

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	account for the necessary zoning to accommodate the development.		<ul style="list-style-type: none"> <li>- Lower-tier municipalities: 10%</li> <li>- Upper-tier municipalities: 5%</li> </ul>
4. Community Benefits Strategy	Before passing a C.B.C. by-law, the municipality shall prepare a C.B.C. strategy that, (a) identifies the facilities, services and matters that will be funded with C.B.C.s and (b) complies with any prescribed requirements.		<p>A C.B.C. strategy must be prepared to support the percentage to be imposed. Elements of the strategy include:</p> <ul style="list-style-type: none"> <li>- The C.B.C. strategy will have to set out the amount, type and location of growth</li> <li>- There will need to be a parks plan included. This plan will need to identify the amount of parkland needed for growth</li> <li>- The strategy will need to identify the anticipated increase in need for the service</li> <li>- There will need to be deductions for excess capacity</li> <li>- Grants, subsidies &amp; other contributions will need to be deducted</li> <li>- C.B.C. appeal mechanism requires public notice of C.B.C. by-law passage</li> <li>- Interest rate for C.B.C. refunds upon successful LPAT appeal will be the Bank of Canada rate</li> </ul>

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			on the date the by-law comes into force or quarterly
5. Exemptions from Community Benefits Charges	<p>The Minister is proposing that the following types of developments be exempt from charges for community benefits under the <i>Planning Act</i>:</p> <ul style="list-style-type: none"> <li>- Long-term care homes</li> <li>- Retirement homes</li> <li>- Universities and colleges</li> <li>- Memorial homes, clubhouses or athletic grounds of the Royal Canadian Legion</li> <li>- Hospices</li> <li>- Non-profit housing.”</li> </ul>		
6. Reporting on Community Benefits Charges	<p>Municipalities would be required annually to prepare a report for the preceding year that would provide information about the amounts in the C.B.C. special account, such as:</p> <ul style="list-style-type: none"> <li>- Opening and closing balances of the special account</li> <li>- A description of the services funded through the special account</li> <li>- Details on amounts allocated during the year</li> </ul>		<i>Building Code Act</i> will be amended to include a section to ensure C.B.C. payment must take place prior to building permit issuance.

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	<ul style="list-style-type: none"> <li>- The amount of any money borrowed from the special account, and the purpose for which it was borrowed</li> <li>- The amount of interest accrued on money borrowed</li> <li>- If a municipality elects to not have a C.B.C. and wishes to continue collection of parkland under former <i>Planning Act</i> provisions, then similar reporting required as above.</li> </ul>		
7. Other Matters	<ul style="list-style-type: none"> <li>- For a municipality that elects to not have a C.B.C., they may continue collection of parkland under former <i>Planning Act</i> provisions</li> <li>- 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.</li> <li>- Transitional provisions are set out regarding the D.C. reserve funds and D.C. credits</li> <li>- It is proposed that a C.B.C. by-law would</li> </ul>	Transitional provisions for by-laws requiring parkland as a condition of development or redevelopment or subdivision	

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	not be available for use in areas within a municipality where a community planning permit system is in effect and specified community services are identified.		