

Summary of Enacted Changes to the *Development Charges Act, 1997* since 2019

Change	Related Legislation and Timing
<p>DC Rate Lock-in DC rates are locked in at applicable site plan or zoning By-law amendment application date for up to two years following approval of the related application. Interest can be applied from locked in rate to building permit issuance. A maximum interest rate may be prescribed; no rate was prescribed until the proposal through Bill 23.</p> <p>Previously, the building permit issuance date was the relevant date for establishing the DC rate. Building permit issuance date remains to be the relevant date for permits who do not have a relevant planning application.</p>	<p><i>More Homes, More Choice Act, 2019</i> (Bill 108)</p> <p>Effective January 1, 2020</p>
<p>Legislated Instalments Certain forms of development, as defined by regulation, will pay DCs in instalments commencing at occupancy:</p> <ul style="list-style-type: none"> • rental housing (6 instalments) • institutional development (6 instalments) • non-profit housing (21 instalments) <p>Interest can be applied from building permit issuance to the date of each instalment payment. A maximum interest rate may be prescribed; no rate was prescribed until the proposal through Bill 23.</p> <p>Previously, all DCs were required to be paid at building permit issuance, unless the municipality and developer entered into a deferred payment agreement.</p>	<p><i>More Homes, More Choice Act, 2019</i> (Bill 108)</p> <p>Effective January 1, 2020</p> <p>City adopted an interest policy, effective January 1, 2020, through FCS20028 / PED20105</p>

Change	Related Legislation and Timing
<p>Removal of 10% Statutory Deduction Previously, municipalities were required to take a 10% statutory deduction from the following services which meant that only 90% of the growth-related costs were able to be considered in the calculation of the DC. This change allowed 100% of the growth costs for these services to be considered in the calculation of the DC.</p> <ul style="list-style-type: none"> • Parking • Airport • Parks and Recreation • Library • Growth Studies • Ambulance • Waste Diversion • Public Health • Long-term Care • Child Care and Early Years • Housing • Provincial Offences Act Administration • Public Works (Yards) <p>Note that the ability to collect for Parking and Airport services was removed effective September 18, 2022.</p>	<p><i>More Homes, More Choice Act, 2019 (Bill 108)</i></p> <p>For DC By-laws enacted after January 1, 2020</p> <p>The City updated DC By-law 19-142 through By-law 21-102 effective July 6, 2021</p>
<p>Expanded exemption for Secondary Dwelling Units The requirement to exempt a secondary dwelling unit was expanded:</p> <ul style="list-style-type: none"> • to allow exemptions of secondary dwellings within new builds vs existing • to allow the secondary units to be in an ancillary structure to the principal residence • to require the greater of one unit or 1% of existing units within apartments to be exempted 	<p><i>More Homes, More Choice Act, 2019 (Bill 108)</i></p> <p>Effective January 1, 2020</p>

Change	Related Legislation and Timing
<p>Restricted list of what services a DC can be charged for A list of what services a DC may be imposed for is defined. Previously the legislation allowed collection for all services unless expressly prescribed as ineligible (i.e. culture, entertainment facilities and tourism, land for parks, hospitals, landfill / waste, general administration). None of the previously ineligible services were added to what a DC can be charged for. In terms of what the City had been collecting for, Parking, Airport and some studies became ineligible.</p>	<p><i>More Homes, More Choice Act, 2019 (Bill 108)</i> For DC By-laws enacted after January 1, 2020</p>
<p>Removal of Services related to Community Benefits Charges (CBC) Parking, Airport and some studies were removed from what the City was able to collect a DC for effective at the earlier of when a CBC By-law came into effect or September 18, 2022.</p>	<p><i>More Homes, More Choice Act, 2019 (Bill 108)</i> Transition period ended September 18, 2022</p>
<p>Statutory Exemption for Post-Secondary Institutions The <i>Ministry of Training, Colleges and Universities Act</i> was amended to exempt DCs on the development of land intended for use by a university that receives operating funds from the government.</p>	<p><i>Better for People, Smarter for Business Act, 2020 (Bill 213)</i> Effective December 8, 2020</p>
<p>Reporting Requirements Added the ability of the Province to prescribe the manner in which the Annual Treasurers’ Statement is to be made available to the public. Nothing prescribed to date.</p>	<p><i>More Homes for Everyone Act, 2022 (Bill 109)</i> Effective April 14, 2022</p>
<p>Removal of Housing and Growth Studies Housing services and growth studies were removed from the list of services for which a DC may be imposed.</p>	<p><i>More Homes Built Faster Act, 2022 (Bill 23)</i> Effective November 28, 2022</p>
<p>Removal of Land Costs The Province has added the ability to prescribe services that municipalities will not be able to include land as an eligible capital cost for DCs. To date no services have been prescribed.</p>	<p><i>More Homes Built Faster Act, 2022 (Bill 23)</i> Effective November 28, 2022</p>

Change	Related Legislation and Timing
<p>Further expanded the exemption for Secondary Dwelling Units</p> <p>The statutory exemption was expanded so that every single-family dwelling, semi-detached dwelling and townhouse dwelling can each have up to three dwelling units; one primary and two secondary without paying development charges. The secondary dwelling may be either within the primary building or one may be within and the second may be within an ancillary structure. Previously, only single detached dwellings were required to exempt up to two secondary dwellings.</p> <p>The gross floor area restrictions in order to be eligible for the exemption have been removed.</p>	<p><i>More Homes Built Faster Act, 2022 (Bill 23)</i></p> <p>Effective November 28, 2022</p>
<p>Required Exemption for Affordable and Attainable units</p> <p>The Minister will publish a Bulletin to guide municipalities with respect to the dollar threshold for a unit to be considered affordable.</p> <ul style="list-style-type: none"> • Affordable Rental Unit: Where rent is no more than 80% of the average market rent (in the year occupied by a tenant) as defined by a new Bulletin published by the Ministry of Municipal Affairs and Housing • Affordable Owned Unit: Where the [purchase] price of the unit is no more than 80% of the average purchase price (in the year that the unit is sold) as defined by a new Bulletin published by the Ministry of Municipal Affairs and Housing. <p>An attainable unit has not been defined other than by reference to a prescribed development or class of developments. Nothing has been prescribed.</p> <p>Municipalities may require that affordable units and attainable units enter into an agreement to require that affordability be maintained for 25 years. The Minister may establish a standard form for this agreement. The agreement may be registered on title.</p>	<p><i>More Homes Built Faster Act, 2022 (Bill 23)</i></p> <p>Not yet enacted, to be proclaimed at a future date</p>

Change	Related Legislation and Timing
<p>Required exemption for non-profit housing Municipalities are required to exempt eligible non-profit housing developments.</p> <p>Previously, eligible non-profit housing developments were eligible to pay DCs in 21 annual instalments commencing at occupancy. Any instalments for non-profit housing development due after November 28, 2022 will also be exempted (no impact to Hamilton). In addition, Bill 23 edited the definition of non-profit housing development which expanded the non-profit developments eligible.</p>	<p><i>More Homes Built Faster Act, 2022 (Bill 23)</i></p> <p>Effective November 28, 2022</p>
<p>Required exemption for Inclusionary Zoning Units Municipalities are required to exempt housing units required under inclusionary zoning By-laws.</p>	<p><i>More Homes Built Faster Act, 2022 (Bill 23)</i></p> <p>Effective November 28, 2022</p>
<p>Required phase-in of DC Rates For all DC By-laws passed after January 1, 2022, the charge must be phased-in relative to the maximum charge that could be imposed under the By-law as follows:</p> <ul style="list-style-type: none"> • Year 1 – 80% of the maximum charge; • Year 2 – 85% of the maximum charge; • Year 3 – 90% of the maximum charge; • Year 4 – 95% of the maximum charge; and • Year 5 to expiry – 100% of the maximum charge 	<p><i>More Homes Built Faster Act, 2022 (Bill 23)</i></p> <p>Retroactive effective date for By-laws passed January 1, 2022 or later</p>
<p>Extend the maximum life of a DC By-law from 5 years to 10 years DC By-laws can now expire 10 years after the day the By-law comes into force. A new By-law can be adopted earlier.</p>	<p><i>More Homes Built Faster Act, 2022 (Bill 23)</i></p> <p>Effective November 28, 2022</p>
<p>Requirement to calculate service standards using 15-year history versus 10-year history The amount that can be collected through DCs for the increase in need for service is limited by the average historical level of service. Previously, this was calculated over the 10 years preceding the preparation of the DC background study. For By-laws passed after November 28, 2022, this average will be extended to the historical 15-year period.</p>	<p><i>More Homes Built Faster Act, 2022 (Bill 23)</i></p> <p>Effective November 28, 2022</p>

Change	Related Legislation and Timing
<p>Required discount for rental housing The DCs payable for rental housing developments are reduced based on the number of bedrooms in each unit as follows:</p> <ul style="list-style-type: none"> • Three or more bedrooms – 25% reduction; • Two bedrooms – 20% reduction; and • All other bedroom quantities – 15% reduction 	<p><i>More Homes Built Faster Act, 2022 (Bill 23)</i></p> <p>Effective November 28, 2022</p>
<p>Prescribed a maximum interest rate No maximum interest rate was previously prescribed for:</p> <ol style="list-style-type: none"> 1. The interest that applies to DCs locked in at site plan application date (or zoning By-law amendment application date as applicable), or 2. The interest that applies to legislated instalment payments from building permit issuance to the date of instalment payment. <p>The maximum interest rate is now set at the average prime rate of the five major Canadian Banks for commercial loans plus 1%, updated quarterly.</p>	<p><i>More Homes Built Faster Act, 2022 (Bill 23)</i></p> <p>Retroactive effective date of June 1, 2022</p>
<p>Requirement to spend or allocate 60% of reserve balances for some services Annually, beginning in 2023, municipalities are required to spend or allocate at least 60% of the monies in a reserve fund at the beginning of the year for water, wastewater, and services related to a highway. Other services may be prescribed by the Regulation.</p>	<p><i>More Homes Built Faster Act, 2022 (Bill 23)</i></p> <p>2023 calendar year</p>
<p>Further expand the exemption for Secondary Dwelling Units Bill 97 proposes to amend language such that the required exemption for ancillary secondary units would be required in rural areas vs only urban areas.</p>	<p><i>Helping Homebuyers, Protecting Tenants Act, 2023 (Bill 97)</i></p> <p>This Bill has not yet been passed, second reading was completed on April 20, 2023</p>