

Proposed Cutting Red Tape to Build More Homes Act, 2024 – Bill 185		
Overview of Changes		
Schedule 6 – Development Charges Act		
Proposed Amendment	Explanation of Proposed Amendment	Implications of Proposed Amendment
<p>Definition of Capital Costs to Include Studies (Subsection 1 (1))</p>	<p>Proposes the re-inclusion of studies (including growth studies, secondary plans, masterplans and the Development Charges (DC) Background Study) as eligible capital costs which can be factored into the calculation of DCs.</p> <p>This would be a reversal of the previous legislative decision through Bill 23, <i>More Homes, Built Faster Act, 2022</i> to exclude studies from the calculation of DCs.</p>	<p>The City will reassume the authority to utilize DC funding for studies.</p> <p>The 2019 DC Background Study allocated collections of \$16.1 M (indexed annually) for general growth studies over a 10-year period.</p> <p>The 2024 DC Background Study did not account for the cost of studies due to the legislation in effect. Following the passage of Bill 185, additional review will be undertaken by staff and DC Consultants (Watson & Associates Economists Ltd.) to affirm the appropriate steps to ensure collection for DC studies.</p>
<p>Removal of five-year phase-in of DC rates (Subsection 1 (4))</p>	<p>Proposes the removal of the mandatory phase-in of DC rates over five years.</p> <p>This would be a reversal of the previous legislative decision through Bill 23, <i>More Homes, Built Faster Act, 2022</i> which mandated the phase-in for DC by-laws passed after January 1, 2022.</p>	<p>The City will reassume the ability to charge 100% of the calculated DCs required to fund growth-related capital needs. Note: As the City has not passed a new by-law, this has only affected projections not actual collections.</p> <p>If enacted, an overview of the financial implications of the removal of the rate phase-in will be included in the 2025 Budget Outlook Report.</p>

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<p>Simplified DC By-Law Amendment Process (Subsection 2 (1))</p>	<p>Proposes a simplified amendment process for six months for DC by-laws passed during the period where studies were not an eligible capital cost to allow for inclusion of studies or removal of DC phase-in.</p> <p>The simplified amendment process waives the typical requirements associated with the passage of an amendment to a DC by-law, including the requirements for an updated DC Background Study, public consultation and the opportunity for appeal of the amendment.</p>	<p>The 2024 DC Background Study did not account for the cost of studies due to the legislation in effect. Determination by staff, with support from Watson & Associates Economists Ltd. of the eligible costs for inclusion, would be required.</p> <p>The draft 2024 DC by-law includes reference to the phase-in section of the DC Act and clearly states that the phase-in will not apply if the section of the DC Act is removed.</p> <p>If a 2024 DC by-law is adopted before Bill 185 receives Royal Assent, the City would be permitted to amend the By-Law following the simplified process to include the cost of DC studies.</p> <p>If a 2024 DC By-Law is not adopted before Bill 185 receives Royal Assent, the City would be required to undergo the full standard amendment process which would include an update to the DC Background Study, public consultations and the opportunity for appeal of the by-law.</p>

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Reduction of Site plan / Zoning By-Law Amendment Rate Lock-In Period (Subsection 3 (1))	Proposes the reduction of the site plan / zoning by-law amendment rate lock-in period from two years to 18 months from the date of approval.	<p>Significant variation in collections would not be anticipated based on this proposal. However, it may encourage building permits to be pulled at an earlier date.</p> <p>This proposal adds some administrative complexity to the calculation of DCs. Applications submitted prior to the enactment of Bill 185 will be locked-in for two years, whereas applications submitted after Bill 185 receives Royal Assent will be locked-in for 18 months.</p>