



# Development Charge Update to the Finance and Administration Committee

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April 13, 2021

# Bill 108, Bill 197 & Regulation 454/19

- A number of changes to the Development Charges Act (DCA) and Planning Act (re: CBC's)
  - DC payment installments for rental housing, institutional and non-profit housing development
  - Freezing of DCs at site plan or by-law amendment application
  - Broadening of exemptions for additional (secondary) units (includes some exemptions voluntarily approved by Region in 2018)
  - Removal of 10 per cent statutory reduction
  - Changes to list of eligible DC services
  - Community Benefits Charges (CBC)

# DCA - DC Payment Installments

- Rental Housing and Institutional Developments (including retirement and long-term care homes and hospices)
  - Payment over 5 years, at the earlier of issuance of occupancy permit or date of 1st occupancy (6 annual installments)
- Non-profit Housing
  - Payment over 20 years, at the earlier of issuance of occupancy permit or date of first occupancy (21 annual installments)
- Interest
  - Municipality can charge interest from date that the DC would be payable (i.e. building permit issuance) to when installment is paid
- Change of Use
  - Change of use (i.e. sale of rental units) can trigger the payment of outstanding DCs

# DCA - Freezing of DCs

- DC rates locked in on:
  - The date of application for an approval of development in a site plan control area or
  - The date an application for an amendment to a by-law passed under Section 34 of the Planning Act
- DC rates frozen for 2 years from the date an application for site plan or amendment to a by-law is approved
  - If a building permit is issued two years after application approval, current rates would apply
- Municipality can impose interest charges from the date the application is received to the date the DC is payable - Province not prescribing an interest rate

# Other Changes to the DCA

- Exemptions for additional (secondary) units broadened
  - Includes additional units detached from the existing unit
  - Includes exemptions of additional units to new residential units (previously only applied to existing units)
- List of DC eligible services have been expanded
  - Childcare and early years programs
  - Housing Services
  - Services related to proceedings under the Provincial Offences Act
  - Services related to Emergency Preparedness
  - Social Services no longer eligible (can collect until Sept. 17/22)
- Elimination of 10 per cent reduction for soft services
  - Impacts Paramedic, Housing and LTC Services for Durham



# Community Benefits Charge (CBC)

- Only lower and single tier municipalities can implement a CBC By-law – Region can not implement
- CBCs can be used to fund growth-related municipal infrastructure costs
- Can only be applied on residential development
  - Charges can apply only to buildings with at least five storeys or greater than nine residential units
- For the non-DC eligible services, lower and single tier municipalities need to transition to a CBC By-law by Sept. 18/22

# DCs for New Regional Long-Term Care Home

- Province approved the Regional Application for a new 200-bed Long-Term Care Home in North Pickering (Report #2021-INFO-37)
- Staff are adapting the planned spring 2021 amendments to the Regional DC by-law to include the consideration of the inclusion of the growth-related portion of costs for the new LTC home as part of the existing Regional DC charge for LTC

# Spring 2021 DC Work

- Public Process to amend three Regional DC By-laws (GO Transit, Regional Transit and Regional By-law for water, sewer, roads and soft services)
  - Remove 10 per cent reduction on soft services
  - Remove ineligible Social Services DC as of Sept. 18/22
  - Include new secondary unit exemptions
  - Reflect changes in collection of DCs and freezing of DCs
  - Include growth-related costs for new long-term care home
  - Planned implementation date – July 1, 2021
- Introduce Regional Interest Rate Policy
  - To address DC deferral and freezing of DCs



# Timeline – Spring DC By-law Amendments

1.	Background studies and proposed by-laws available to the public on the Region's website (60 days prior to passing of amending DC By-laws)	April 23, 2021
2.	Public Meeting Notice placed in newspapers (20 days prior to Public Meetings)	By May 5, 2021
3.	Public Meetings of Council	May 26, 2021
4.	Final Date for Public Comment	May 28, 2021 5:00 pm
5.	Finance and Administration Committee Consideration of Final Amending DC By-laws	June 8, 2021
5.	Regional Council Consideration of Final Amending DC By-laws	June 23, 2021
6.	Implementation of DC By-law Amendments	July 1, 2021

## Other DC Work in 2021 / 2022

- Continued collaboration with Area Municipalities re: policies, implementation and processes
- Fall 2021 Interdepartmental DC Group Work:
  - New Waste Diversion and potential Childcare, Emergency Preparedness and Services related to Provincial Offences Act
  - Amend Seaton Water and Sewer Area Specific DC By-law
  - Public Meeting in October 2021 with implementation Jan. 1/22
- 2021/22 Work by Interdepartmental DC Group:
  - Renew Regional Transit DC By-law - expires on Jan. 1/23
  - Update Regional DC By-law and related policy - expires on July 1, 2023
- Consultation with development industry, business associations and public related to DC work



# Questions

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