



100 John West Way
Aurora, Ontario
L4G 6J1
(905) 727-3123
aurora.ca

Town of Aurora
Committee of the Whole Report
No. FIN24-045

Subject: Further Bill 185 Development Charges Bylaw Amendments

Prepared by: Jason Gaertner, Manager, Financial Management

Department: Finance

Date: October 1, 2024

Recommendation

1. That Report No. FIN24-045 be received; and
2. That the memo dated August 23, 2024, Re. 2024 Development Charges Background Study Update – Amendments as per Bill 185 be adopted; and
3. That no further public meetings are required under section 12 of the Development Charges Act, 1997; and
4. That the proposed amending Development Charges By-law be enacted October 22, 2024.

Executive Summary

On June 6, 2024, Bill 185 “Cutting Red Tape to Build More Homes Act, 2024” received royal assent which necessitated multiple changes to the Town’s DC Study and bylaw. Most of these changes were previously implemented through amending DC By-law No. 6614-24 as per the Development Charges Act’s (DCA) process for minor amendments to DC By-laws. The remaining required changes arising from the Bill must be addressed under the DCA through its formal amendment process.

The intent of this report is to present Council with a proposed amending Development Charges By-law for its adoption.

- On June 6, 2024, the province approved multiple changes to the Development Charges Act and the accompanying regulations

- The proposed amending Development Charges By-law is required to adhere to Sections 10 to 18 of the DCA
- The proposed amending Development Charges By-law addresses all remaining Bill 185 changes, as well as other minor amendment needs
- The Development Charges Act provides a mechanism for members of the public to appeal this amending Development Charges By-law

Background

On June 6, 2024, the province approved multiple changes to the Development Charges Act (DCA) and the accompanying regulations

On April 10, 2024, the province tabled Bill 185 “Cutting Red Tape to Build More Homes Act, 2024”. This Act proposed multiple changes to the DCA and Planning Act.

On June 6, 2024, Bill 185 received Royal Assent. The approved changes to the DCA and Ontario Regulation 82/98 under the DCA included:

- The definition of eligible capital costs were updated to include certain growth studies
- The removal of the mandatory phase-in of charges
- The process for minor amendments to DC bylaws
- A reduction of time for the DC rate freeze related to site plan and zoning bylaw amendment planning application
- Modernizing public notice requirements
- Implementation of the Affordable Residential Unit Exemptions

In recognition that the Town would need to update its DC calculations and bylaw, staff engaged Watson & Associates to update the Town’s DC calculations and create the necessary amending DC bylaws.

On June 26th DC amending Bylaw No. 6614-24 was approved by Council. This bylaw addressed the majority of the changes arising as a result of Bill 185. Tonight’s presented amending DC bylaw addresses the one remaining Bill requirement being the reduction to the frozen DC rate period from 24 to 18 months.

The proposed amending Development Charges By-law is required to adhere to Sections 10 to 18 of the DCA

For the Town to amend its existing DC By-law, it must undertake the following necessary steps under the DCA:

1. The completion of an amended development charges background study.

As the proposed amending DC By-law is reflective of a policy change only, the memorandum dated August 23, 2024, Re. 2024 Development Charges Background Study Update – Amendments as per Bill 185 which can be found under Attachment 1, will be used as the DC Background Study. (Complete)

2. Hold a public meeting that seeks feedback from public stakeholders on the Town's proposed amending DC bylaw. (Complete)
3. Provide at least 20 days' notice of the scheduled public meeting(s). (Complete)
4. Ensure that its amending DC By-law and DC Study are posted on the Town's web site for 60 days prior to the passing of the Town's new amending DC By-law. (Complete)

Analysis

The proposed amending Development Charges By-law addresses all remaining Bill 185 changes, as well as other minor amendment needs

Further to the recent changes undertaken by the Town through By-law No. 6614-24, the Town must make one final revision to its DC By-law arising from Bill 185.

The current DCA requires developments that are subject to a site plan and/or a zoning bylaw amendment application have their DC rates frozen as of the date of their related application's submission. Previously, the DCA required that frozen rates be in effect for a period of 24 months (two years) commencing on the date that the related application is approved. If a building permit is not issued within this frozen rate period, the prevailing DC rates at the time the DC payable becomes due would be applicable. Bill 185 reduced the minimum frozen rate period from 24 to 18 months; effectively meaning that any application submissions after June 5, 2024, would be subject to the shorter frozen rate period.

To align with this legislative change, the Town must update its DC By-law. This bylaw amendment does not meet the defined DCA criteria for a minor amendment; meaning the Town would need to adhere to the above noted sections 10 through 18 requirements.

Further, it is proposed that a definition for Retail be added to the Town's DC By-law to ensure its greater alignment with York Region's DC By-law.

These changes are included as part of the proposed amending DC By-law which can be found under Attachment 2.

The Development Charges Act provides a mechanism for members of the public to appeal the revised Development Charges By-law

The DCA provides a mechanism for members of the public to appeal the amending Development Charges By-law to the Ontario Land Tribunal (the "Tribunal") within 40 days following adoption by the Council. The Tribunal then hears and makes a final decision on the amending bylaw only, including approving any potential settlements. Despite any appeals, until the decision of the Tribunal is issued, the adopted bylaw remains in effect, and its proposed amendments remain effective.

Advisory Committee Review

None

Legal Considerations

As per the DCA, the Town must have an active DC By-law in place that is compliant with the DCA to enable the Town's legal capability to collect development charges.

Financial Implications

The proposed amending DC By-law's financial implications are difficult to quantify as the impact will differ for each individual development application. However, it can be assumed that the reduced frozen DC rate period will result in moderate increased development charge revenue for the Town from development applications submitted on June 6, 2024, and onwards.

As the Town's prevailing DC rates are subject to regular indexation, these rates will be greater than frozen rates resulting in a gross savings to the developer. This gross

savings is partially offset by an interest charge. The amount of interest charged is determined by the time period when a development application is submitted, and the development charges become payable.

Communications Considerations

This report will be made available on the Town's website for the public. In addition, as per Schedule 2 (s. 13 and O. Reg 82/98 s.10 (5)), the Town will provide notice to the public within 20 days of the passing of the Town's revised Development Charge By-law in a local newspaper.

Notice will also be given by personal service, fax or mail to:

- everyone who has given the municipal clerk a written request for notice and - provided a return address
- the clerk of the upper tier municipality involved
- the secretary of every school board with jurisdiction within the area to which the bylaw applies

Finally, notification will be made via the Town's website and other social media channels.

Climate Change Considerations

There are no directly arising climate change considerations from this report.

Link to Strategic Plan

Setting a DCA compliant Development Charge By-law is the primary tool with which Ontario municipalities can finance the cost of expanding infrastructure and service amenities to accommodate growth demands in their communities. Optimizing the charge within the permissions of the legislation demonstrates the Strategic Plan principles of Leadership in Corporate Management.

Alternative(s) to the Recommendation

Council may direct staff to make changes to the draft amending DC By-law as long as it remains compliant with the current DCA and its accompanying regulation, or to respond to any specific concerns or issues raised by members of the public at the meeting.

However, delays in the implementation of this bylaw amendment may result in a risk of bylaw appeal for non-compliance with the current DCA.

Conclusions

Staff recommend that the proposed amending DC By-law be adopted, to take effect October 22, 2024.

Attachments

Attachment #1 – Memorandum dated August 23, 2024, 2024 Development Charges Background Study Update – Amendments as per Bill 185

Attachment #2 – DC By-law amending bylaw

Previous Reports

FIN24-043, Amending Development Charge By-law as per Bill 185 Public Meeting, October 1, 2024

Pre-submission Review

Agenda Management Team review on September 12, 2024

Approvals

Approved by Rachel Wainwright-van Kessel, CPA, CMA, Director, Finance

Approved by Doug Nadorozny, Chief Administrative Officer