A. Recommendations

THAT Council receive Staff Report FAF.20.040 entitled “Bill 108 Comments” for information purposes;

AND THAT Council endorse the attached letter to the Municipal Finance Policy Branch regarding the comments on the Proposed Regulatory Matters pertaining to Community Benefits Authority under the Planning Act, the Development Charges Act, and the Building Code Act.

B. Overview

In June of 2019 the provincial government passed the More Homes, More Choice Act which made changes to the Development Charges Act and introduced the concept of Community Benefit Charges. The Province has opened up a public consultation period and is looking for comments by March 30, 2020.

C. Background

In addition to the More Homes, More Choice Act, 2019 the Province also passed the Plan to Build Ontario Together Act, 2019 which introduced Community Benefit Charges (CBCs). CBCs were going to be similar to Development Charges (DCs) but would be regulated under the Planning Act versus the Development Charges Act. Initially most of the Soft Service DCs were going to move over to CBCs, including costs associated with Library, Parks and Recreation. However those charges have been left as DCs.

The only current DC that will become a CBC is the Parking and By-law charge which is new for the Town in the 2019 Development Charges Back-ground Study and By-law. In addition, the new CBC regulations will look to enforce stricter rules around Parkland Dedication and the process the Town will need to go through to continue charging. This includes the creation of a Parks Master Plan and a background study similar to what is currently being done for Development Charges.
D. Analysis

The purpose of this report is to get Council’s endorsement of the attached letter which staff have written to be submitted to the Municipal Finance Policy Branch regarding the revisions being proposed to the Planning Act and Development Charges Act. The letter will focus on these areas:

- Removal of 10% discount on Soft Service DCs
- Creation of the CBC regulations
- Calculation of CBC based on land value
- One year turn around for CBCs

10% Discount

Currently the Development Charges Act requires the discounting of charges by an arbitrary 10% for Public Library, Parks and Recreation, and Solid Waste. The Town will still be required to discount these charges by any Benefit to Existing percentage that exists for a project. The Town supports this move as fully funded growth related projects through Development Charges, which is the most appropriate funding.

CBC Regulations

The Province has created this new funding stream for municipalities by moving certain development charge services into the new CBC Regulation. For the Town one service will be moved, Parking and By-law; however, the County will see a bigger adjustment as more of their services have been moved.

The Town does not support this new charge. The CBCs will have to complete a background study and follow the same public consultation as the DCs do when the Town is updating the background study and by-law. For the Town this will require two separate consultation efforts with two separate consultants leading to double the cost to effectively collect the same amount of funding. In addition, the value the Town can collect is capped at 10% of the development land value (with an additional 5% going to Grey County) this may leave the Town short when it comes to funding growth related projects.

A bigger concern is at the County level where they will only be able to collect 5% on services such as child care facilities, affordable and social housing. This change could hamper their ability to keep up with growth for these important services.

Land Value

The proposal speaks to limiting CBCs to 10% (for the Town and 5% for the County) of the land value; however, it does not speak to how that value will be calculated. The Town cannot support this as it is unknown how the values will be determined.

The Town would like to see flexibility in this account to use either an average appraisal done on development lands within the municipality or site specific appraisals. Development Lands in the
Town can range from waterfront to infilling to unserviced lands making it very difficult to set an average appraisal value.

One Year

Currently the legislation is giving the Town one year from passing of the CBC regulation to pass a new CBC By-law. With this new regulation impacting up to 444 municipalities the Town does not see how this tight of a timeline is possible. To update the Town’s existing Development Charge Background Study, staff started two years in advance having to produce similar documents and go through a similar public consultation process while abiding to brand new legislation. As a result, the Town does not feel that this timeline is appropriate.

The Town would like to see the deadline set to one year after the expiration of the Town’s current Development Charges By-law. During this time the Town would ask that the calculation and collection of Parkland Dedication and Parking and By-law DCs remain the same until that date.

E. The Blue Mountains Strategic Plan

The Blue Mountains Strategic Plan

Goal #4: Promote a Culture of Organizational and Operational Excellence
Objective #4: To Be a Financially Responsible Organization

F. Environmental Impacts

N/A

G. Financial Impact

Without further information staff cannot calculate what the new CBCs will generate in collections or how the other changes will affect Development Charge collections. However by introducing the new CBC regulations, the Town will have to go through a similar process that currently occurs for Development Charges. The Town’s latest update cost $60,000 and staff are estimating that a CBC document would be similar in cost and therefore the Town would be out $120,000 to collect the same growth related funding.

H. In consultation with

Senior Management Team

I. Public Engagement

The topic of this Staff Report has not been subject to a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required.
J. Attached

1. Letter to the Municipal Finance Policy Branch

Respectfully Submitted,

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Sam Dinsmore
Deputy Treasurer/Manager of Accounting and Budgets

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Ruth Prince
Director of Finance and IT Services

For more information, please contact:
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March 30, 2020

John Ballantine  
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Toronto, Ontario  
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**RE: Proposed regulatory matters pertaining to community benefits authority under the Planning Act, the Development Charges Act, and the Building Code Act**

Dear Mr. Ballantine;

The Town of The Blue Mountains would like to thank the Municipal Finance Policy Branch for the opportunity to comment on the proposed regulatory matters, specifically the Community Benefit Charges. The changes being proposed to not just the Planning Act but also the Development Charges Act are very important as these are important funding tools for the Town and other municipalities.

The Town has focused its comments to four areas that are most important to the ratepayers and development industry. They are:

- Removal of 10% discount on Soft Service Development Charges;
- Creation of the Community Benefit Charge Authority;
- Calculation of Community Benefit Charge based on land value; and
- One year turn around for the Community Benefit Charge.

The Town supports the removal of the arbitrary 10% discount that is currently applied to some of the Soft Service Development Charges. During the updating of the Development Charges Background Study and By-law the Town always ensures that the appropriate benefit to existing percentage is applied to the capital program and feels that by removing the 10% discount a more proper amount of funding can be collected and used to fund those projects.

The creation of the Community Benefit Charges is being labeled as a new funding tool; however, it appears that it is simply renaming funding streams that are already available to the Town. The Town does not support this change as it increases the amount of administration around the new Community Benefit Charge requirements that are purely duplicated as they follow the process required by the Development Charges Act. Rather than shifting some services into the Community Benefit Authority and forcing municipalities to go through two separate background studies, we recommend that the Province simply add the Parkland Dedication requirements to the Development Charges
Act. By making this change, the amount collected for Parkland would be attached to specific projects and be based on the same growth projections as the other charges.

The Town does not support the use of land value as the base for the calculation of the Community Benefit Charges as there has not been enough information provided on how that value will be calculated.

However, if land value is selected as the base for calculation of the Community Benefit Charges, the Town would like to see flexibility in this account to use either an average appraisal done on development lands within the municipality or site specific appraisals. Development lands in the Town can range from waterfront to infilling, each with a variety of services available. These variables impact land value considerably and make it very difficult to set an average appraisal value.

The Town also does not support a one year turn around to have the Community Benefit Charge By-law put in place from what is right now an unknown date. To force up to 444 municipalities to go through the same practice in such a short turnaround time is unrealistic. The municipalities that can afford to fund a premium will get the work done whereas the other municipalities will be forced to wait and could potential lose out on collections.

The Town would like to see the deadline set to one year after the expiration of the Town’s current Development Charges By-law. During this time the Town would ask that how the charges are currently being calculated and collected remain the same until that date.

Should you have any questions, please do not hesitate to contact the undersigned.

Yours truly,

The Town of The Blue Mountains

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