



**City of Kingston
Information Report to Council
Report Number 19-226**

To:	Mayor and Members of Council
From:	Lanie Hurdle, Interim Chief Administrative Officer
Resource Staff:	Holly Wilson, Manager of Intergovernmental Relations
Date of Meeting:	August 13, 2019
Subject:	Ontario Consultation on Regulations on Community Benefits and Development Charges (Related to Bill 108 – More Homes More Choice Legislation)

Executive Summary:

Bill 108, the *More Homes, More Choice Act, 2019* received Royal Assent on June 6, 2019. Schedule 12 of the Act would, upon proclamation, make amendments to the *Planning Act* to provide the authority for municipalities to charge for community benefits in order to fund a range of capital infrastructure for community services that would benefit new development.

The Province recently released a summary of the draft Regulations related to the *Development Charges Act* or D.C.A. and the Community Benefits Charge or C.B.C. These Regulations are currently posted on the Environmental Registry of Ontario for public comment until August 21, 2019.

The following information report is provided to Council as an overview of the proposed regulation changes and the City's comments, recommendations and questions as applicable. City staff will continue to be engaged on Bill 108 as the consultation on some of the regulations begins. The City's comments in this report are also informed and developed by those of the Municipal Financial Officers Association (MFOA) and Watson and Associates Economists Ltd.

At the time of this report the recommendations from the Association of Municipalities of Ontario (AMO) were not available. However, the City will be providing these recommendations to AMO to be considered when developing their submission.

City staff will be providing these comments as a submission to the Ministry of Municipal Affairs and Housing as part of their 60 day consultation process on the Community Benefits Charge – Proposed Planning Act Regulation - ERO Number 019-0183 and Development Charge – Proposed Development Charges Act Regulation ERO Number 019-0184.

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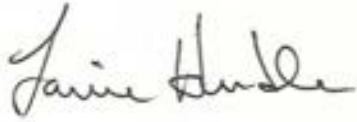
Recommendation:

This report is for information only.

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Authorizing Signatures:



**Lanie Hurdle, Acting Chief
Administrative Officer**

Consultation with the following Members of the Corporate Management Team:

Peter Huigenbos, Acting Commissioner, Community Services	Not required
Jim Keech, President & CEO, Utilities Kingston	Not required
Desirée Kennedy, Chief Financial Officer & City Treasurer	OK
Sheila Kidd, Commissioner, Transportation & Public Works	Not required
Deanne Roberge, Acting Commissioner, Corporate Services	Not required

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Options/Discussion:Background

On June 6, 2019, Bill 108, the *More Homes, More Choice Act 2019*, received Royal Assent. This Act amends 13 separate acts in an effort by the province to encourage more housing developments in Ontario. Bill 108 contains a number of changes but this report will focus on changes to eligible services under the Development Charges Act (D.C.A.) specifically with respect to the Community Benefits Charges (C.B.C.). The key amendments to the D.C.A. as outlined in Council Report 19-192 and the proposed Regulations include the following:

- “Soft Services” (e.g. libraries and parks and recreation) will be removed as a Development Charge (D.C.) eligible services and will be considered as part of a new Community Benefit Charge pursuant to the *Planning Act*.
- Applicable eligible services for Kingston that will remain under the D.C.A. will be as follows:
 - Water supply services, including distribution and treatment services;
 - Wastewater services, including sewers and treatment services;
 - Stormwater drainage and control services;
 - Services related to a highway as defined in subsection 1 (1) of the *Municipal Act, 2001*;
 - Policing services;
 - Fire protection services;
 - Transit services;
 - Waste diversion services; and
 - Other services as prescribed.
- The mandatory 10% reduction for waste diversion services is removed.
- For rental housing, commercial, industrial and institutional developments the required D.C. will be paid in 6 equal annual payments commencing the earlier of the date of issuance of a building permit or occupancy. If payments are not made, interest may be charged at a prescribed rate and may be added to the property and collected as taxes. The Minister is not proposing to prescribe a maximum interest rate that may be charged on D.C. amounts that are deferred or frozen.
- For non-profit housing developments, the required D.C. will be paid in 21 equal annual payments.

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- For developments proceeding by way of site plan control or a rezoning, the amount of the D.C. shall be frozen based on the D.C. charge in effect on the day the application for site plan control or rezoning is filed regardless of whether the by-law under which the amount of the D.C. would be determined is no longer in effect on the date the D.C. is payable. The amount of the D.C. would be frozen for two (2) years from the date the application is approved. Otherwise the D.C. amount is determined by the earlier of the date of building permit issuance or occupancy.
- As noted above, “soft services” are to be included in a new C.B.C. that may be imposed by by-law to pay for the capital costs of facilities, services and matters required for development or redevelopment in the area to which the by-law applies. These services cannot include any of the D.C. eligible services listed above. Key provisions respecting the C.B.C. include:
 - The specified date for municipalities to transition to the new C.B.C. is January 1, 2021
 - Before passing a Community Benefits Charge By-law, the municipality must prepare a community benefits charge strategy that identifies the facilities, services and matters that will be funded with community benefits charges
 - The amount of the community benefits charge payable shall not exceed an amount equal to the prescribed percentage of the value of land as of the day before building permit issuance
 - The valuation will be based on an appraised value of the land
 - All monies received shall be paid into a special account
 - In each calendar year at least 60% of the funds in the special account at the beginning of the year must be spent or allocated
 - Requirements for annual reporting regarding community benefits and parkland shall be prescribed
 - The following types of development will be exempt from the C.B.C.: long term care homes; retirement homes; universities and colleges; memorial homes; clubhouses or athletic grounds of the Royal Canadian Legion; hospices; and non-profit housing
 - Transitional provisions are set out regarding D.C. Reserve Funds and D.C. credits.

Proposed Regulations Posted

On June 21, 2019 the Province released a summary of its proposed new Regulations pertaining to the community benefit authority under the *Planning Act* and the proposed changes to O.Reg. 82/98 under the *Development Charges Act*. The comment period to respond to the proposed regulations is August 21, 2019. Prior to a discussion on the details in the proposed Regulations, below is a summary of concerns raised by municipalities about the C.B.C. prior to the legislation being passed in June.

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Many municipalities across the province raised concerns to the Province about a range of issues with Bill 108 prior to it being passed including the City of Kingston as outlined in Report 19-156.

Municipal Comments Prior to the Passing of Bill 108

Municipalities note that convenient access to public service facilities and parks contribute to vibrant neighbourhoods and livable cities. People choose to live in neighbourhoods that have amenities and the availability of amenities is what attracts investment and enables communities to thrive over the long term. The development industry often uses the amenities in marketing their projects. Municipalities need to have access to effective development-related tools to secure parkland and community infrastructure.

In response to Bill 108, the City of Kingston provided the following feedback to the Province on June 1, 2019:

- The City recommends delaying any proposed changes to the Development Charges Act to allow municipalities to properly plan for the transition, to obtain clarity regarding the potentially significant financial impacts of the removal of soft services from the D.C.A. as well as the mechanics and financial implications of a C.B.C. and to minimize confusion and disruption when a significant number of development charge by-laws across the Province are currently in the process of being updated.
- The holistic changes proposed to the D.C. A. are broader than a focus on addressing housing supply and affordability issues. Changes to non-residential D.C. mechanisms appear to go well beyond the housing supply scope.
- Bill 108 proposes to remove a number of eligible services from the D.C.A. Charges for these soft services will be considered as part of a new C.B.C. under the *Planning Act*; however the City has concerns that the scope of eligible services that would fall under a Community Benefits By-law could be limited by regulation. It is also unknown how this transition to a new revenue generating by-law and strategy will affect projects currently in process. The City recommends maintaining the community infrastructure component of the D.C.A. until a Community Benefits Charge Strategy and By-law can be properly developed and financial implications as it relates to loss of revenue and additional taxpayer burden can be determined; in the interim, we recommend amending Subsection 2(4) of the D.C.A. to add parks and recreation, library, and affordable housing as growth related capital infrastructure.
- Bill 108 provides for payment of D.C.s in installments for rental housing, non-profit housing and commercial, industrial and institutional development. This will significantly impact the City's cash flow planning and potentially increase the requirement for issuing debt as capital costs will be incurred well before revenues are collected. It is also expected that administrative costs will rise with the need to track, collect and manage installment payments. Further information is required to more specifically define the types of development listed. More details are also required as to the security requirements that will be available including consideration for potential changes in ownership over the installment

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period. Collection risk is a concern in connection with any installment payment regime and the ability to register charges on title to the property or to require other forms of security will be important. At a minimum, the City recommends maintaining the current timing of D.C. payment for commercial, industrial and institutional development (as this is not relevant in any way to the supply of housing).

- Bill 108 provides for changes to the timing of when the D.C. rate is determined. For development that is subject to site plan approval or zoning by-law amendment, the D.C. rate will be based on the charge in effect at the time of application. “Locking in” rates at this earlier point in the development process will give rise to revenue shortfalls, as the rates will not keep up with the escalation of related costs to be incurred at the time development proceeds. The D.C.A. does not provide for any time limits for the development moving through to the issuance of a building permit and D.C. payment obligation. It is expected that administration costs will rise with the necessity to track effective rates until they are payable. “Locking in” rates for periods that straddle background study periods will add complexity to the current background study process. We recommend preserving the current calculation and timing of D.C. payment requirements. Where the prescribed amount of time referred to in Subsection 26.2(5), (a) and (b) of the D.C.A. is required, we recommend that it be set at no longer than two years.
- Bill 108 proposes transitional requirements for a D.C. By-law expiring on or after May 2, 2019. Further details are required to effectively determine the implications of this legislation on the City’s D.C. By-law which is scheduled to expire September 29, 2019.

Here are some other concerns raised by municipalities:

- Section 42 of the *Planning Act* enables municipalities to require park or other recreational uses as a condition of development or redevelopment. The two key components of this authority are: a base rate and an alternative requirement. The base rate is two percent of the land area for commercial or industrial development and five percent of the land area for all other uses. The alternative requirement permits municipalities to set their own rates up to a max of 1 hectare/300 units for land and 1 hectare/500 units for cash-in-lieu. Municipalities may elect to require land dedication or cash-in-lieu which can be used for parks or other public recreation facilities. This rate is established by by-law and a municipality’s Official Plan is required to have policies related to the provision of parks and the use of the alternative requirement. The ability for municipalities to use an alternative rate recognizes that the base rate geared towards typical greenfield development scenarios fails to address parkland demand and pressures generated by more intense forms of development particularly in established and fast growing urban settings. The *More Homes, More Choice Act*, 2019 has repealed the alternative rate provision for plans of subdivisions which ensure the suitability of the land for development. Municipalities will not be able to apply a C.B.C. By-law if they also wish to require parkland in a subdivision. Municipalities will have to make a choice to secure parkland at five percent or receive payments toward other, necessary community infrastructure such as child care facilities and libraries.

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- Section 37 of the *Planning Act* is used to secure city building and community capital facilities through zoning by-law amendments that authorize increased height and density of development. The *More Homes, More Choice Act*, 2019 repealed Section 37 provisions and replaced them with Community Benefits Charge. Unlike Section 37 provisions which are intended to apply increases in height or density above what the existing zoning would permit, The C.B.C. may be imposed in respect of development or redevelopment irrespective of whether increased height or density is being sought by the applicant.
- If the changes result in a loss of revenue, municipalities would have to make difficult decisions on how to allocate funds between services. The community benefit charge also considers regional soft services such as social housing, long-term care and childcare. Currently the allocation between services is prescribed based on service levels, which is a better methodology. Caps for both lower- and upper-tier municipalities may need to be established.
- Concerns with using land value is the basis for calculating the community benefits charge, as land value is not correlated to the provision of soft services. Land values vary significantly across a city and have a limited link to people and jobs. For example, a formerly contaminated site next to a highway may have a lower land value than an ideal development site on the water. However, a development with 1,000 people in each scenario is likely to have similar servicing needs. A land value based approach may be appropriate for the acquisition of land for parks, community centres and libraries. However, the construction costs of these facilities are static and would be more equitably collected on a per person/unit basis.

While the foregoing concerns were voiced by municipalities across the Province, Bill 108 was passed with few amendments during Committee prior to it receiving Royal Assent. These included an amendment to the repayment timeframe to 20 years for non-profit housing and the inclusion of capital costs for ambulance services in D.C. calculations. Now the Province is seeking input from municipalities and stakeholders on the regulations under the *Planning Act and Development Charges Act*.

Proposed Changes to O. Reg. 82/98 Development Charges Act and the City's comments

The City continues to monitor and stay connected to the Regulation consultation and implementation strategy associated with Bill 108. The following comments on the Draft Regulations for the D.C.A. and *Planning Act* (Community Benefits Charge Related) are informed by the recommendations / comments from the Municipal Finance Officers Association (MFOA) and Watson and Associates Economists Ltd. At the time of the writing of this report the Association of Municipalities of Ontario (AMO) had not yet submitted their recommendations. AMO formed a subcommittee of MFOA members to help develop recommendations to the Province. Staff will review those recommendations when available together with the Province's response to the consultation submissions as implementation of the Regulations moves forward.

1. Transition

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The Province is proposing that municipalities must transition to the community benefits by January 1, 2021.

- Municipalities would no longer be able to collect D.C.s for soft services.

The City would like confirmation that all D.C.A. provisions will be effective at the municipality's discretion during the transition period (i.e. by January 1, 2021), such that development charge by-law amendments for collections and statutory exemptions can take effect at the same time as the transitioning of "soft services".

2. Scope of Types of Development Subject to Development Charges Deferral

The proposed changes are intended to provide for the deferral of D.C. payments for rental housing development; non-profit housing development; institutional development; industrial development; and commercial development until occupancy. The Province is proposing that the types of developments proposed for D.C. deferrals are defined as follows:

- "Rental housing development" means construction, erection or placing of one or more buildings or structures for or the making of an addition or alteration to a building or structure for residential purposes with four or more self-contained units that are intended for use as rented residential premises.
- "Non-profit housing development" means the construction, erection or placing of one or more buildings or structures for or the making of an addition or alteration to a building or structure for residential purposes by a non-profit corporation.
- "Institutional development" means the construction, erection or placing of one or more buildings or structures for or the making of an addition or alteration to a building or structure for: long-term care homes; retirement homes; universities and colleges; memorial homes; clubhouses; or athletic grounds of the Royal Canadian Legion; and hospices.
- "Industrial development" means the construction, erection or placing of one or more buildings or structures for or the making of an addition or alteration to a building or structure for: manufacturing, producing or processing anything; research or development in connection with manufacturing, producing or processing anything; storage, by a manufacturer, producer or processor, of anything used or produced in such manufacturing, production or processing if the storage is at the site where the manufacturing, production or processing takes place, or; retail sales by a manufacturer, producer or processor of anything produced in manufacturing, production or processing, if the retail sales are at the site where the manufacturing, production or processing takes place.
- "Commercial development" means the construction, erection or placing of one or more buildings or structures for or the making of an addition or alteration to a building or structure for: office buildings as defined under subsection 11(3) in *Ontario Regulation 282/98* under the *Assessment Act*; and shopping centres as defined under subsection 12(3) in *Ontario Regulation 282/98* under the *Assessment Act*.

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The City will be seeking clarity and additional information on a number of specific items arising from the draft regulations:

- Clarity on whether the term “until occupancy” should be understood to mean “from the date of occupancy” as the proposal is to collect the charges during a term beyond occupancy.
- The definition for “non-profit housing development” refers to both new developments and redevelopments; an examination is needed into how the application of D.C. credits applies on redevelopments.
- What is the definition of “intended” in the clause relating to rental housing development; what are the requirements, if any, to ensure the development remains rented residential premises and for what period of time; can the City impose requirements to maintain status over the term of the installments.
- In defining a “non-profit housing corporation,” what is the requirement to maintain this status over a period of time; can the City impose requirements over the term of the installments and how this will be substantiated at the time of occupancy.
- Long term care homes and retirement homes are considered as residential developments where units align with the definition of a dwelling unit, with charges imposed based on number of dwelling units; it is unclear if this change means that these developments will now be charged as non-residential developments based on gross floor area of development.
- The definitions of commercial development seem to be a subset of commercial types under the *Assessment Act*; will all other types of commercial development other than shopping centres and offices continue to be charged fully at the time of building permit issuance; will these definitions require D.C. background studies to further subdivide the growth forecast projections between types of commercial development for cash flow calculation purposes.
- To what extent will financial securities be available to ensure recovery of payments over the payment term, including the ability to register charges on title to the property; how will potential changes in ownership over the installment period be managed.
- Will there be opportunity to fund increased administrative costs necessary to track, collect and manage installment payments as eligible costs under the D.C.A.

3. Period of Time for which the Development Charge Freeze would be in Place

In order to provide greater certainty of costs, amendments to the Development Charges Act would, upon proclamation, provide that the amount of a development charge would be set at the time council receives the site plan application for a development; or if a site plan is not submitted, at the time council receives the application for a zoning amendment. In order to encourage development to move to the building permit stage so that housing can get to market faster and provide greater certainty of costs, it is being proposed that the development charge

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would be frozen until two years from the date the site plan application is approved, or in the absence of the site plan application, two years from the date the zoning application is approved.

The City will request clarification on whether the applicant would still be entitled to the rates at the date of the planning application submission in circumstances where the planning application is appealed by the applicant. The City will also request provisions that would prevent abuse by applying for minor zoning changes in order to freeze rates for several years.

4. Interest Rate Applied on Deferral and Frozen Development Charges

The province is not proposing to prescribe a maximum interest rate that may be charged on development charge amounts that are deferred or on development charges that are frozen.

The City will need to consider what rates are to be used in this regard (e.g. annual short term borrowing rates, long-term debenture rates, maximum rates on unpaid taxes, etc.) and whether the interest charges can also be used to recover administrative costs with respect to tracking and managing deferred charges. It is noted that the obligation to pay interest and the selected interest rate could discourage paying installments.

5. Additional Dwelling Units

The existing regulation prescribes existing single detached dwellings, semi-detached/row dwellings and other residential buildings as buildings in which additional residential units can be created without triggering a D.C. and prescribes rules related to the maximum number of additional units and other restrictions. It is being proposed that:

- This Regulation be amended so that units could also be created within ancillary structures to these existing dwellings without triggering a D.C. (subject to the same rules/restrictions).
- One additional unit in a new single detached dwelling; semi-detached dwelling; and row dwelling, including in a structure ancillary to one of these dwellings, would be exempt from D.C.s.
- Within other existing residential buildings, the creation of additional units comprising 1% of existing units would be exempt from D.C.s.

The City has recently amended its Official Plan and the zoning by-laws to broaden second residential units across the City. The City would need to further amend the Official Plan, the zoning by-laws and its Development Charges By-Law to address additional dwelling units.

The City requests clarification that these exemptions would only be granted once per property.

Proposed New Regulation Summary for Community Benefits Charge and the City's comments

1. Transition of Discounted Soft Services

The Province is proposing that municipalities must transition to the community benefits authority

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by January 1, 2021 if they wish to collect for the capital costs of community benefits from new development. Beyond the date prescribed in regulation:

- Municipalities would generally no longer be able to collect development charges for soft services.
- Municipalities would generally no longer be able to pass by-laws to collect funds under section 37 of the *Planning Act*.

The City has recently completed the background study to inform updates to its Development Charge Bylaw, which is due to expire September 29, 2019. The first and second readings of the new bylaw will be presented to Council on August 13, 2019. There are several elements to the process of transitioning to the community benefits regime and with the assumption that the process will be similar to development charges, it will take time to carry out the studies, undertake a public process and pass the necessary by-laws. The City will request that the specified date be extended to January 1, 2022.

2. Reporting on Community Benefits

It is proposed that the municipality would be required to prepare an annual report for the preceding year that would provide information on the amounts in the community benefit charge special account such as:

- Opening and closing balances of the special account
- Description of the services funded through the account
- Details on amounts allocated during the year
- The amount of any money borrowed from the special account and the purpose
- Amount of interest accrued

The City will seek clarification on the definition of “special account” and whether a reserve fund would fall under this definition.

The proposed reporting requirements as outlined by the province are similar to the current development charges reporting requirements. Within the context of the legislation, where 60% of funds must be spent or allocated annually, the City will be looking for further clarification on the ability to accumulate funds for a specific purpose and whether there is the flexibility to allocate amounts to a capital account for future spending.

The City will also request confirmation that, similar to development charge reserve funds, the funds in the special account would only be borrowed for growth-related capital costs.

3. Reporting on Parkland

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The amendments to the *Planning Act* in Schedule 12 of the *More Homes, More Choice Act, 2019* provide that municipalities may continue using the current basic parkland provisions of the *Planning Act* if they are not collecting a C.B.C.

In order to ensure that cash-in-lieu of parkland is collected and used in a transparent manner, the Minister is proposing to prescribe reporting requirements for parkland.

Municipalities would be required annually to prepare a report for the preceding year that would provide information about the amounts in the special account, such as:

- Opening and closing balances of the special account
- A description of land and machinery acquired with funds from the special account
- Details on amounts allocated during the year
- The amount of any money borrowed from the special account, and the purpose for which it was borrowed
- The amount of interest accrued on money borrowed

Similarly to reporting on community benefits, the City will provide the required information as requested to the Province.

With respect to the amount of interest accrued on money borrowed, the City requests the province to confirm that the “special account” and reserve fund have the same meaning.

This section of the Regulation allows municipalities to continue using the current basic parkland provisions of the *Planning Act*. However, in contrast to the current reporting under s.42 (15) which allows funds to be used “for park or other public recreation purposes,” the scope in this Regulation is for “land and machinery.” The City is requesting the Province to confirm if the scope of services has been changed or limited.

4. Exemptions for Community Benefits

To help reduce the costs to build certain types of development that are in high demand, amendments to the *Planning Act* in Schedule 12 of the *More Homes, More Choice Act, 2019* provide for the Minister to prescribe such types of development or redevelopment in respect of which a C.B.C. cannot be imposed.

The Minister is proposing that the following types of developments be exempt from charges for community benefits under the *Planning Act*:

- Long-term care homes
- Retirement homes

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- Universities and colleges
- Memorial homes, clubhouses or athletic grounds of the Royal Canadian Legion
- Hospices
- Non-profit housing

The City has concerns with this section of the Regulation. Currently the City collects charges for the “soft services” respecting these types of development. The City request clarification if the Regulations prescribe that the foregoing exemptions be funded from non-C.B.C. sources, similar to D.C.s.

The City currently collects D.C.s related to housing developments associated with our local post-secondary academic institutions however this Regulation outlines colleges and universities are exempt. The City will seek clarification on whether the phrase “universities and colleges” relates only to the academic space or does it include other uses such as student residences.

5. Community Benefits Formula

It is proposed that the C.B.C. payable cannot exceed the amount determined by a formula based on a prescribed percentage of the value of the development land. The value of the land is determined on the day before the building permit is issued to account for the necessary zoning to accommodate the project. It is proposed that there be a range of percentages. No ranges are being provided but the government has said there will be further consultation on the proposed formula.

This change raised a number of questions and concerns for the City; specifically how the formula is being developed and how it will account for the vast differences in land value across the province and the difference in land use and zoning in each community. Applying a percentage of the value on a piece of developable land in Toronto is very different than applying a percentage to a piece of land in Kingston. The Province has said there will be a range of percentages to align with different parts of the province, however no ranges have been provided for in the proposed Regulation. The City will be providing further comments on the formula when the details are announced.

The Regulation notes that, “this capital infrastructure for community services could include libraries, parkland, daycare facilities, and recreation facilities.” Staff will seek clarification on whether the inclusion of libraries, parkland, daycare facilities, and recreation facilities as capital infrastructure for community services was intended to be exhaustive, or are all other “soft services” (e.g. social and health services) eligible to be included in the C.B.C. as well.

The City recommends that the Province consider local land considerations when developing the formula. The range of percentages in the formula should account for the difference in land values across the province and also reflect the differences in land use and zoning on developable land within different communities. As the formula and percentages have not been

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consulted on yet, the City is requesting the Province to confirm that no prescribed percentages will be proclaimed during the transition period of the regulation.

6. Appraisals for Community Benefits

If the owner of land is of the view that the C.B.C. exceeds the amount legislatively permitted and pays the C.B.C. under protest, the owner has 30 days to provide the municipality with an appraisal of the value of the land. If the municipality disputes the value in the owner's appraisal, the municipality has 45 days to provide the owner with an appraisal of the value of the land. If there is a difference of more than five percent between the two appraisals, the owner can select an appraiser from the municipal list of appraisers and the third appraisal must be provided within sixty days.

This change raises some questions specifically, who is responsible for the cost of the third party appraisal and is it considered binding once it's received? The City also realizes the government is proposing changes to the Local Planning Appeal Tribunal (LPAT) and would like clarification if the third appraisal can be appealed to the LPAT? If so, what are the turnaround times for a decision on the appraisal of the site? The City is also requesting confirmation if the costs for appraisals can be included as eligible costs to be funded under the C.B.C.

Additionally, the City is concerned about the short turnaround time associated with the appraisals as the availability of market appraisers is limited in Eastern Ontario.

7. Excluded Services for Community Benefits

In addition to the facilities, services, and matters eligible under the D.C.A. being exempt from the C.B.C., the Province is proposing that the following also be excluded:

- Cultural or entertainment facilities
- Tourism facilities
- Hospitals
- Landfill sites and services
- Facilities for the thermal treatment of waste
- Headquarters for the general administration of municipalities and local boards.

The list above is consistent with the ineligible services list currently found under the D.C.A. However what is unclear is if the definition of eligible capital costs will be the same as the D.C.A.

8. Community Planning Permit System

The community planning permit system combines and replaces the individual zoning, site plan and minor variance processes with a single application and approval process. It is proposed that

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a C.B.C. By-law would not be able to be used in areas where a community planning permit system is in effect.

The community planning permit system (previously known as the development permit system) is a land use planning tool that combines the three separate planning application processes of zoning by-law amendments, minor variances and site plan control into one application submission and approval process. The community planning permit system was introduced by the Province in 2007; however there has been limited uptake of this system in Ontario.

The City currently does not have a community planning permit system in place. The City is continuing to monitor community permit planning systems in other Ontario municipalities. A community permit planning system is contemplated in the City's Official Plan, however the City does not intend on pursuing such a system at this time.

Overarching Concerns and Next Steps

A large overarching concern for the City is the volume of consultations related to municipal planning and administration and the ability to provide informed feedback in particular with respect to Bill 108. Given the significance of the proposed changes to the D.C.A. and the *Planning Act* the City encourages the Province to provide more detail Regulations on the D.C. and C.B.C. pieces. Currently these posted regulations are fairly high level overviews that do not contain sufficient technical detail to properly analyze and interpret the implications for the City.

The City has been in contact with AMO and MFOA to gather information. MFOA has formed a technical working group to provide recommendations to their board and the AMO Board. Staff will continue to stay connected to these groups and review their recommendations when available. These will help inform us on any future consultation with respect to Bill 108 and the development of the formula for the new C.B.C. The City will be providing further comments to the C.B.C. consultation process (anticipated to begin in August) when posted.

Existing Policy/By-Law:

Provincial

- Planning Act
- Development Charges Act

Municipal

- City of Kingston Official Plan
- By-Law Number 2014-135, A By-Law To Establish Development Charges For The City Of Kingston

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- By-Law Number 2009-138, A By-Law To Impose Water Rates And Sewer Rates To Recover The Capital Cost Of Installing Water And Sanitary Sewer Services Necessary To Benefit Users Of The System
- By-Law Number 2013-107, A By-Law To Provide For The Conveyance Of Land For Park Purposes, Or Cash-In-Lieu Of Parkland Conveyance

Notice Provisions:

Not Applicable

Accessibility Considerations:

All documentation produced by the City is available in an accessible format upon request.

Financial Considerations:

It is expected that there will be financial implications as a result of the changes to the Development Charges Act and the Community Benefits Charge however, further analysis is dependent on additional details yet to be received from the Province.

Contacts:

Lanie Hurdle, Interim Chief Administrative Officer, 613-546-4291 extension 1231

Other City of Kingston Staff Consulted:

Paige Agnew, Director of Planning Building and Licensing Services

Cheryl Hitchen, Social Policy and Strategic Community Development Manager

Exhibits Attached:

Not applicable