

Committee of the Whole (2) Report

DATE: Tuesday, April 13, 2021

WARD(S): ALL

**TITLE: CITY-WIDE DEVELOPMENT CHARGES BACKGROUND STUDY
AND BY-LAW UPDATE**

FROM:

Michael Coroneos, Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer

ACTION: DECISION

Purpose

To request Council approval to retain Hemson Consulting Ltd. through a single source contract to provide consulting services for a review and update to the City-wide Development Charges Background Study and related By-laws.

Report Highlights

- Due to legislative changes through Bill 108/138/197 to the Development Charges Act, 1997 (DCA) and the Planning Act, an update to the City-Wide DC Study is required.
- Removal of 10% co-funding for soft services and removal of services no longer deemed eligible.
- Alignment of the DC Study to the Community Benefits Charge (CBC) Strategy works will ensure maximum revenue is achieved across both studies.

Recommendations

1. That, in order to align with the Community Benefits Charge (CBC) Strategy works, that Hemson Consulting Ltd. be retained through a single source contract at an estimated cost of \$90,000.00, excluding contingency and applicable taxes, to provide consulting services and undertake the necessary works to establish a City-Wide Development Charges Study and By-laws inclusive of Area Specific Development Charges where applicable; and

2. That, any requirements to activate contingencies following the reward of the contract to Hemson Consulting Ltd. will be dealt with in accordance with the provisions provided for in the City's Corporate Procurement Policy PS-003.

Background

On June 6, 2019, Bill 108, More Homes, More Choice Act, 2019 received royal assent and outlined several changes to the Development Charges Act and the Planning Act. These changes were further amended by Bill 138, Plan to Build Ontario Together Act, 2019 and by Bill 197, COVID-19 Economic Recovery Act, 2020. These bills received royal assent on December 10, 2019 and July 21, 2020 respectively.

Bill 108/138/197 included changes to the DCA which included the removal of the requirement for 10% co-funding on soft services such as libraries, parks, and community centres and it deemed some services no longer eligible, such as parking.

Additionally, Bill 108 had proposed changes to municipal authority whereby Section 37 of the Planning Act (height and density bonusing), would be replaced with a Community Benefits Charge that would be applied to new developments This charge would be used to fund the initial round of capital for shares that are not already funded through development charges. This could include capital such as public art, parkland, and other items that would have been previously funded through Section 37.

An update to the City-wide DC Study will allow staff to make adjustments in alignment with the new legislation and will also provide an opportunity to departments to make adjustments to capital plans for services where department priorities have changed. Undertaking a City-Wide DC update concurrent to the CBC Strategy will also ensure that the City maximizes its possible revenues between both funding sources.

It is not anticipated that this update will be as fulsome as a typical City-wide DC update as many departments have not completed the master plans that are typically used to inform the DC Study. As a result, a subsequent update in less than the prescribed 5 years will likely be required once the master plans have been completed.

Previous Reports/Authority

Approval of CBC Strategy Works

<https://pub-vaughan.escribemeetings.com/FileStream.ashx?DocumentId=29644>

Analysis and Options

The current DC Study was completed in 2018. The Development Charges Act only requires the study to be updated every five (5) years but does not preclude a municipality from completing an update sooner. As a part of the changes provided in Bill 108/138/197 it was identified that soft services no longer require a 10% co-funding

share and some services that were once deemed to be DC eligible are no longer DC eligible. In addition to these changes, the Planning Act was revised to include a new Community Benefits Charge which will replace the existing Section 37 legislation. On March 10, 2020, Council approved a single source contract to Hemson Consulting Ltd. to create a CBC Strategy. After further internal discussion it was determined that the most appropriate approach would be to also update the City- Wide DC Study concurrently.

It is recommended that the City undertake the development of a CBC Strategy and an Update to the City-Wide DC Study concurrently. This will create efficiencies between the projects, will ensure that revenues are maximized and will ensure that there is no overlap between the two studies. It is proposed that the works commence in Q2 2021 in order to complete these works by June 2022 ahead of the transition end date for the Section 37 legislation on September 18, 2022.

Although it is proposed that the DC Study be updated in concurrence with the CBC Strategy, the DC By-law effective date will be adjusted out so as not to nullify existing DC pre-payment agreements. In a separate Council report titled “2018 Development Charge Pre-Payment Agreements - Request to Further Amend Dates” staff are recommending a further extension to the DC pre-payment agreements that were entered into as a part of the previous DC Study Update. The expiry date for these pre-payment agreements is proposed to be extended to June 30, 2022.

Financial Impact

The cost of the works are estimated to be \$90,000 and will be funded from capital project BU-2554-20. This will include the update to City-Wide Development Charges Background Study and associated by-laws.

Broader Regional Impacts/Considerations

The Region is currently working on an update to their Development Charge By-law which is anticipated to be completed by June 2022. Throughout the process City staff will participate in meetings with Regional staff to receive updates and provide feedback on proposed by-law policy revisions. In addition to these meetings, City staff intends to engage Regional staff regularly during the City-Wide By-law update to ensure coordination and cohesiveness between the approach of the Region and the City.

Conclusion

It is recommended that Hemson Consulting Ltd. be retained for a single source contract for the update of City of Vaughan’s Development Charge Background Study and By-

Laws in the amount of \$90,000.00. This will ensure cohesiveness between the CBC Strategy and City-Wide DC Study.

For more information, please contact: Nelson Pereira, Manager of Development Finance ext. 8393 or Brianne Clace, Project Manager of Development Finance ext. 8294

Attachments

N/A

Prepared by

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Approved by



Michael Coroneos, DCM of
Corporate Service and City
Treasurer and CFO

Reviewed by



Jim Harnum, City Manager