



**FINANCE DEPARTMENT
MEMORANDUM**

TO: MAYOR A. NUTTALL AND MEMBERS OF COUNCIL

FROM: M. VILLENEUVE, SUPERVISOR OF DEVELOPMENT CHARGES, EXT. 4503
C. GILLESPIE, SENIOR MANAGER OF CORPORATE FINANCE AND INVESTMENTS, EXT. 5743
C. SMITH, ACTING CHIEF FINANCIAL OFFICER EXT. 5130

NOTED: M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

RE: BILL 185 – STUDIES

DATE: NOVEMBER 20, 2024

The purpose of this Memorandum is to provide members of Council with a follow-up to the Bill 185 – Development Charges Implications Memorandum (the “Bill 185 Memo”) provided to Council June 19, 2024.

Background:

On April 10, 2024, the provincial government introduced Bill 185, the Cutting Red Tape to Build More Homes Act, 2024, which proposed amendments to 15 Acts. The Bill was passed and received Royal Assent on June 6, 2024. The key changes to the Development Charges (DC) Act, which are beneficial for the City, included:

- Repeal of the mandatory 5-year phase-in
- Reduction of the frozen rates period from 24 months to 18 months
- Inclusion of certain studies in the eligible list of capital costs

Repeal of the mandatory 5-year phase-in

As noted in the Bill 185 Memo, the removal of the mandatory phase-in of development charges took immediate effect on June 6, 2024.

Reduction in frozen rates from 24 months to 18 months

As noted in the Bill 185 Memo, the reduction in the statutory freeze period took immediate effect on June 6, 2024 and impacts development applications made thereafter. For development applications made prior to June 6, 2024, the 24-month freeze period remains in effect until expiration.

Inclusion of certain studies in the eligible list of capital costs

As noted in the Bill 185 Memo, in 2022, Bill 23 amended the DC Act to exclude certain study costs from the list of eligible capital costs. The now in-force legislation from Bill 185 reverses the Bill 23 changes, thereby allowing municipal authorities to include study costs once again in the calculation of their development charges.



Municipalities can choose to increase their development charge rates immediately with an amendment to the DC bylaw without opening the bylaw if it is passed by December 6, 2024 (within 6 months of Bill 185 receiving Royal Assent).

In consultation with Hemson Consulting Ltd, the City's Development Charges consultants, it was determined that studies relating to services already being collected for (i.e. roads, water, wastewater, parks, recreation, etc.) could be funded by development charges without amendment to the by-law.

City staff have reviewed the Business Plan for the next 10 years and determined that all studies that are DC eligible relate to services already being collected for and that the growth components of these studies can be funded with development charges without the need to increase development charge rates today. The impact on the DC rates if studies were added is estimated to be \$600 or 0.5% per Single Family Home equivalent.