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**Subject:** Development Charges Amendment to add Growth Studies

**Staff Report No.** FI-015-24

**Department/  
Commission:** Finance Services Commission

**Date:** November 20, 2024

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**Recommendation:**

- 1) That Council approve the 2024 Development Charge Update Study dated November 11, 2024, subject to further annual review during the capital budget process; and
- 2) That Council approve the Amending Development Charges By-law 2024-137-FI as set out herein.

**Report Highlights**

- In 2022, Bill 23 removed the cost of studies as an eligible capital cost that municipalities could recover through Development Charges. Bill 185 reversed the deletion and reinstated the cost of studies as an eligible Development Charge capital cost.
- This report seeks approval to reinstate studies as an eligible capital cost recovered through development charges and amends the Town’s current Development Charge By-law 2023-149-FI.

**1. Purpose:**

*Bill 185, Cutting Red Tape to Build More Homes Act, 2024*, reversed prior legislation that removed studies as eligible capital costs recoverable through Development Charges (DCs). This legislation allows impacted municipalities to amend their current DC By-laws to reinstate growth studies and to do so without having to undertake the statutory public process.

**2. Background:**

The *Cutting Red Tape to Build More Homes Act, 2024* (Bill 185) received royal assent from the Province of Ontario on June 6, 2024. Bill 185 was introduced as part of the Province’s Spring 2024 Red Tape Reduction Package with the stated aim to speed up

government processes and build 1.5 million homes by 2031. The omnibus legislation introduced changes to fifteen different Acts, including the *Planning Act*, *Development Charges Act*, and the *Municipal Act*. These changes are in response to feedback on issues preventing or delaying the development of housing, including changes that were brought forward under Bill 23, the *More Homes Built Faster Act, 2022*.

### **3. Analysis:**

#### **3.1 Development Charges Act**

Several key changes were incorporated into the *Development Charges Act* that repeal legislative changes introduced by Bill 23 and 108. The Town has already eliminated the phase-in period for development charge rates and is now planning to reinstate studies as eligible capital costs recovered through DCs.

This background study (Update Study) (Attachment No. 1) has been prepared to provide the background information to support amendments to the Town's current DC By-law 2023-149-FI. The proposed amendment related to the changes enacted through the *Cutting Red Tape to Build More Homes Act, 2024* to reintroduce studies as a DC eligible cost. As such, the costs for growth-related studies are included in the updated DC calculations for inclusion in the amending by-law. Other than the changes identified within the report, all other DC calculations and policies contained in By-law 2023-149-FI remain unchanged by this process.

#### **A. Reinstate Studies as an Eligible Capital Cost for Development Charges**

Municipalities that passed a new D.C. by-law between November 28, 2022, and June 6, 2024, can amend their D.C. by-law to include eligible study costs without preparing a D.C. background study or undertaking the statutory public process. The Town passed seven new DC By-laws, effective January 1, 2024, and as such, the Town has six months from the date of Royal Assent (i.e., until December 6, 2024) to make an amendment under this streamlined process.

With the reinstatement of studies as eligible capital costs recoverable through DCs, Town staff identified growth-related study costs related to the increase in need for services and for inclusion in the DC by-law. In working with the Town's consultant, Watson and Associates Economists Ltd. (Watson) it was determined that the growth-related studies would be added to the current DC By-law 2023-149-FI solely with the by-law amended as required.

The anticipated costs to the Town to undertake the following studies have been included in the updated calculation of the DC over the 10-year (2024-2034) growth forecast period:

Affordable Housing Community Improvement Plan (CIP) Program Implementation	Library Master Plan and Update
Affordable Housing Initiatives	Lincolnton GO Station Area Study
Affordable Housing Partnerships	Major Transit Station Area Inclusionary Zone Study Ph2
Age Friendly Policy Strategy	Natural Features Restoration and Enhancement Strategy
Background Studies for Official Plan Review	Official Plan Review (OPR) and Update
Ballantrae-Musselman Lake Secondary Plan	OPR Employment Land Study
Commercial Policy Update	OPR Energy and Climate Change Policy Study
Community Risk Assessment - Fire	OPR – Natural Heritage Resources
Comprehensive Zoning By-law Update	Outdoor Facilities Need Assessment
Corridor Improvement Studies and Municipal Class EAs	Provincial Policy Conformity Updates
Climate Change Action Plan and Policy Study	Review of Town's Zoning By-law
Complete Streetscape Design, Public Realm and Standards Manual	Servicing Allocation Policy and By-law
DC Studies	Stouffville Secondary Plans
DC Study Amendment	Strategic Plan and Community Needs Assessment
Downtown Main Street Heritage Conservation District	Sustainable Development Standards
Downtown Stouffville CIP	Stouffville Commercial Policy Study
Engineering Standard Review	Stouffville Major Transit Station Area Inclusionary Zoning Study – Phase 1
Expanding Missing Middle Housing Study	Traffic Operation Study
Expanding Lands Secondary Plan	Transportation Master Plan and Update
Fire Master Plan, updates, and reviews	Town of Stouffville Urban Design Guidelines
Gormley Secondary Plan	Vandorf – Preston Lake Secondary Plan
Growth Forecast Update	Vandorf Transportation and Servicing EA
Housing Strategy Five-Year Review	Various Planning Studies
High Density Housing	Water and Wastewater Future Service Area Study
Intensification Strategy & Growth Management Studies	Water and Sewer Master Plans
Land Supply Analysis and Employment Land Needs Study Updates	Water and Wastewater Servicing Master Plans
Leisure Master Plan	

## **4. Options:**

### **4.1 Option A (Recommended)**

That the Town reinstate studies as eligible capital costs recoverable through DCs and amends DC By-law 2023-149-FI within the amendment period granted by the Province of Ontario, which ends December 6, 2024.

## **5. Financial Implications:**

### **5.1 Reinstating studies as eligible costs for Development Charges**

Bill 185 expanded the scope of eligible development charge costs to include various studies necessary for informed planning and development. In response to these changes, staff have worked with Watson to identify eligible studies and recalculate the development charges, ensuring compliance and accuracy.

Approximately \$14.2 million in gross capital costs are included in the DC for growth-related studies over the 10-year forecast period. Deductions for benefit to existing, post-period benefit, and DC ineligible services have been recognized, resulting in a total of approximately \$11 million in recoverable capital needs included in the DC calculation for growth related studies over the 10-year forecast period.

The allocation of the net growth-related costs between residential and non-residential development is based on the residential and non-residential allocations for each service as provided in the Town's 2023 DC Background Study.

With the inclusion of the growth-related studies in the DC calculation, the DC payable for both residential and non-residential development has been updated. Table 1 highlights the comparison of current and revised DCs for a single and semi-detached residential dwelling unit. Overall, an increase of \$2,269 per unit over the current charge per dwelling unit is recognized.

Table 1: Comparison of Current and Revised DCs – Residential (Single, Semi-Detached) (2024\$)

Service/Class of Service	Current	Calculated
<b>Town-wide Service/Class of Service:</b>		
Services Related to a Highway	8,745	8,745
Fire Protection Services	2,278	2,278
Parks and Recreation Services	20,142	20,142
Library Services	2,739	2,739
Provincial Offences Act including By-Law Enforcement	10	10
Growth-related Studies	-	2,269
<b>Total Town-wide Services</b>	<b>33,914</b>	<b>36,183</b>
<b>Area Specific Services:</b>		
Wastewater Services	5,926	5,926
Water Services	2,908	2,908
<b>Total Area Specific Services</b>	<b>8,834</b>	<b>8,834</b>
<b>Grand Total - Urban Area</b>	<b>42,748</b>	<b>45,017</b>

Table 2 highlights the Town’s current and proposed changes for non-residential development on a per sq.ft. of gross floor area (GFA) basis. An increase of \$0.52 per sq. ft. of non-residential GFA is identified.

Table 2: Comparison of Current and Revised DCs – Non-residential (2024\$)

Service/Class of Service	Current	Calculated
<b>Town-wide Service/Class of Service:</b>		
Services Related to a Highway	3.14	3.14
Fire Protection Services	1.86	1.86
Parks and Recreation Services	1.21	1.21
Library Services	0.23	0.23
Provincial Offences Act including By-Law Enforcement	-	-
Growth-related Studies	-	0.52
<b>Total Town-wide Services</b>	<b>6.44</b>	<b>6.96</b>
<b>Area Specific Services:</b>		
Wastewater Services	3.01	3.01
Water Services	1.49	1.49
<b>Total Area Specific Services</b>	<b>4.50</b>	<b>4.50</b>
<b>Grand Total - Urban Area</b>	<b>10.94</b>	<b>11.46</b>

## 6. Broader Intergovernmental Impacts and/or Considerations:

*Bill 185, Cutting Red Tape to Build More Homes Act, 2024*, reversed prior legislation that removed studies as eligible capital costs recoverable through Development Charges. This legislation allows impacted municipalities to update their DC By-laws prior to December 6, 2024, without having to prepare a D.C. background study or undertake the statutory public process.

## 7. Communication:

The updated DC By-law and associated new DC rates will be posted to the Town's website.

## 8. Alignment with Strategic Plan:

1. A Town that Grows  
A Town that grows in support of complete communities
2. Good Governance  
Provide Good Governance

## 9. Attachments:

Attachment No. 1 – Development Charges Amendment

## 10. Related Reports:

DS-037-24 Bill 185: Cutting Red Tape to Build More Homes Act, 2024

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