

HE CORPORATION OF THE TOWN OF GEORGINA

REPORT NO. DCAO-2024-0012

**FOR THE CONSIDERATION OF
COUNCIL**

August 14, 2024

**SUBJECT: CONSULTING SERVICES TO UPDATE DEVELOPMENT CHARGES
BACKGROUND STUDY AND BYLAW**

1. RECOMMENDATION:

- 1. That Council receive Report No. DCAO-2024-0012 prepared by the Financial Strategy and Planning Division of the Office of the Deputy CAO dated August 14, 2024 regarding consulting services to update the development charges background study and bylaw.**
- 2. That Council approve a new capital project for the consulting services to update the development charges background study and bylaw, with a budget of \$70,000 to be funded by Development Charges.**

2. PURPOSE:

This report seeks Council approval for the budget of consulting services to update the development charges background study and bylaw.

3. BACKGROUND:

Development Charges (DC) are the primary way for Ontario municipalities to raise funds for the required municipal services and infrastructure improvements resulting from development. The charges are intended to help pay for the cost of capital infrastructure required to provide municipal services to new development, such as roads, water and sewer, parks, community facilities and fire facilities. The legislative authority for municipalities to levy DC is contained in the Development Charges Act, 1997 (the "Act"). The Town's previous DC background study was completed in March 2021 and resulted in bylaw 2021-0041 (AD-5), in May 2021. While the Act allows a DC bylaw to be in effect for up to 10 years, unless it expires or is repealed earlier, staff finds it fiscally prudent to update the Town's sooner to meet the funding needs due to capital escalation since 2021 and future growth related expenditures in the ten year capital plan.

4. ANALYSIS:

Since 2019, the Province of Ontario implemented multiple changes to the Act, and some sections of the Planning Act, intending to increase the housing supply in Ontario. They are:

1. More Homes, More Choice Act, 2019 – Bill 108
2. More Homes for Everyone Act, 2022, S.O. 2022, c. 12 – Bill 109
3. More Homes Built Faster Act, 2022, S.O. 2022, c. 21 – Bill 23
4. Helping Homebuyers, Protecting Tenants Act, 2023, S.O. 2023, c. 10 – Bill 97
5. Affordable Homes and Good Jobs Act, 2023, S.O. 2023, c. 18 – Bill 134
6. Cutting Red Tape to Build More Homes Act, 2024 – Bill 185

These bills have implications for municipalities, including Georgina, to raise funds to build municipal infrastructure to support growth.

Our last DC background study and bylaw were implemented in 2021, after Bill 108 passed but before the next five bills. Further, the Greater Toronto Area (GTA) has been experiencing high inflation in the costs of non-residential building construction. Staff believe that it is fiscally prudent to update the study this year to ensure we continue to collect sufficient DCs to fund the scheduled growth related infrastructure.

5. RELATIONSHIP TO STRATEGIC PLAN:

This report supports the 2023 – 2027 Corporate Strategic Plan, to promote responsible growth and long-term planning.

6. FINANCIAL AND BUDGETARY IMPACT:

Staff requests a budget of \$70,000 to be approved and funded by the Development Charges. Staff intend to tender in the fall of 2024, with an expectation to start work in Q4 2024, and have a new DC bylaw in place in 2025.

7. PUBLIC CONSULTATION AND NOTICE REQUIREMENTS:

Consultation will occur in accordance with the DC Act.

8. CONCLUSION:

Staff propose Council approve a budget of \$70,000 to update the 2021 development charges background study and bylaw to ensure growth continues to pay for growth, when possible.

APPROVALS

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