



The Regional Municipality of Durham Report

To: Finance and Administration Committee
From: Commissioner of Finance
Report: #2023-F-29
Date: November 14, 2023

Subject:

Authorization to Undertake a Review and Update of the Seaton Water Supply and Sanitary Sewerage Service Area Specific Development Charge By-law and to Proceed with the Public Process for the Passage of a new Development Charge By-law

Recommendations:

That the Finance and Administration Committee recommends to Regional Council:

- A) That a review and update of the Seaton Water Supply and Sanitary Sewerage Service Area Specific Development Charge By-law, be undertaken;
- B) That the Statutory Public Meeting of Regional Council, as required by the Development Charges Act, 1997 (DCA) be held on March 27, 2024 in the Regional Council Chambers at the beginning of the regular Regional Council meeting to consider the proposed Area Specific Development Charge By-law and Background Study for water supply and sanitary sewerage services in the Seaton area;
- C) That the proposed Seaton Water Supply and Sanitary Sewerage Area Specific Development Charge By-law and Background Study, as required by the DCA be released to the Public at no charge upon request to the Regional Clerk's Department and posted on the Region's website, commencing March 12, 2024;
- D) That staff be authorized to place appropriate notification in newspapers of sufficiently general circulation in Durham Region and the Regional web-site setting forth the date, time, location and purpose of the Statutory Public Meeting, and the date and contact for the release of the proposed Seaton Water Supply and Sanitary Sewerage Area Specific Development Charge By-law and Background Study no later than March 6, 2024;
- E) That the consulting firm of Watson & Associates Economists Ltd. and legal firm of WeirFoulds LLP be retained to assist staff with this Development Charge review and preparation of the Development Charge Background Study and By-law at a cost up to \$100,000, to be financed from the Seaton project management / capital reserve; and

- F) That the Commissioner of Finance be authorized to execute the necessary agreements.
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Report:

1. Purpose

1.1 The purpose of this report is to:

- A) Inform Regional Council of the pending work to amend or renew the Seaton Water Supply and Sanitary Sewerage Service Area Specific Development Charge By-law (Seaton ASDC By-law);
- B) Seek authorization for staff to proceed with the public process regarding the Seaton ASDC By-law; and
- C) Seek authorization for staff to acquire the necessary consulting and legal services required to complete the ASDC By-law.

2. Background

- 2.1 The current Seaton ASDC By-law (#38-2019) was approved on June 26, 2019 (effective on July 1, 2019) and expires on June 30, 2024.
- 2.2 A number of changes were made to the DCA through the More Homes Built Faster Act (Bill 23) in November 2022 that will be given consideration in adopting a new ASDC By-law for Seaton (e.g. phase-in of charges, broadening of exemptions for secondary units, non-profit housing exemptions, rental housing discount, affordable/attainable housing exemptions, the revised definition of capital costs to remove studies, and 10-year by-law term). As well, there were changes to the Region-wide DC By-law (#42-2023) which became effective on July 1, 2023 that will be incorporated into this new by-law (e.g. definition of bedroom, treatment of stacked townhomes, redevelopment charge credit etc.).
- 2.3 In November of 2015, the Region and the Seaton Landowners Group, which includes the Province as a landowner, executed the Phase 1 Regional Front-Ending Agreement for Seaton. Phase 1 includes the financing and construction of the Regional infrastructure required to service 9,800 Single Detached Equivalent (SDE) residential units and 200 acres (81 ha) of Prestige Employment Lands. As part of that agreement, the Landowners are entitled to certain Development Charge credits for Phase 1 Regional infrastructure designed, constructed and funded by them.
- 2.4 The Region established area-specific charges for water and sanitary sewerage services for the Seaton community consistent with the front-ending agreement required to advance the infrastructure works. Under the DCA, the Region provides water and sanitary sewerage DC credits to the Seaton Landowners Group.

2.5 The Region has commenced negotiations with the Seaton Landowners Group to develop a Front Ending Agreement to address the balance of the development of Seaton (Phase 2 Regional Front Ending Agreement). Area-specific development charges for water and sanitary sewerage services for the Seaton community are anticipated to be necessary to support the Phase 2 Regional Front Ending Agreement.

3. Previous Reports and Decisions

3.1 Report #2019-F-23 in 2019 provides the final recommendation on the 2019 Seaton ASDC By-law.

3.2 Report #2021-COW-6 provided authorization to commence negotiations with the Seaton Landowners Group for the Phase 2 Regional Front Ending Agreement.

4. Requirements of DCA and Associated Regulations Regarding Public Process

Public Process

4.1 The DCA and associated regulations require that Regional Council hold at least one public meeting to receive public representation on a proposed by-law or amendment and background study.

4.2 The required public meeting is to be held at the beginning of the Regional Council meeting on March 27, 2024 in the Regional Council Chambers. The final by-law will be considered by Regional Council on May 29, 2024.

Notice of Public Meeting

4.3 Regional Council is required to give at least 20 clear days notice of a public meeting. Therefore, the Regional Clerk will, by March 6, 2024, advertise a notice in newspapers of sufficient general circulation in Durham Region and on the Regional website, the date, time, location and purpose of the Statutory Public Meeting and the date and contact for the release of the proposed by-law and background study.

Release of Proposed By-law and Background Study

4.4 The DCA and associated regulations require that the proposed by-law and background study be made available to the public at least two weeks prior to the public meeting and 60 days prior to the passing of the DC By-law. Accordingly, the proposed Seaton ASDC By-law and Background Study will be available on the Regional website and from the Regional Clerk's office at no charge upon request as of March 12, 2024.

5. Time Frame for the Development Charge Review and Update

The following schedule provides the target dates for an updated Seaton ASDC By-law, to be implemented on July 1, 2024.

<u>TASK</u>	<u>SEATON WATER SUPPLY AND SANITARY SEWERAGE AREA SPECIFIC DCs</u>
Background Development Charge Review	November 2023 – February 2024
Consultation with development industry and area municipalities	January 2024
Public Meeting Notice placed in newspapers (20 days ahead of Public meeting)	By March 6, 2024
Release of Background study and proposed by-law (60 days prior to passing of DC By-Law and 14 days prior to Public Meeting)	March 12, 2024
Public meeting of Regional Council to Review the Background Study and proposed By-law	March 27, 2024
Input from public, local development industry and area municipalities	March - April 2024
Final Date for Public Comment	April 30, 2024
Finance and Administration Committee Review of final By-law	May 14, 2024
Regional Council Consideration of Final By-law	May 29, 2024
Implementation of New ASDC By-law	July 1, 2024

5.1 It is recommended that Watson & Associates Economists Ltd. be retained to assist with the review. This firm has been retained for the Region's past Development Charge studies, including the Seaton ASDC By-law passed in 2013 (effective Nov 26, 2015) and 2019. The firm has extensive experience in the area of development charges and is very familiar with the municipal sector and the Region of Durham in particular.

5.2 It will also be necessary to receive outside legal advice and direction to ensure that the Region complies with the requirements of the DCA, including the new provisions introduced in 2022. The DCA provides for the right of appeal to the Ontario Land Tribunal (OLT), by a person or organization who objects to the new Development Charge By-law. It is imperative, therefore, that the updated by-law be supportable under the regime set out in the DCA. It is recommended that the law firm of WeirFoulds LLP be retained to provide the necessary services, including the preparation of the By-law.

6. Financial Implications

6.1 It is recommended that the external consulting and legal services expenditures estimated at up to \$100,000 be financed from the Seaton project management / capital reserve. Development Related Studies is no longer an eligible cost to be funded by DCs under the DCA, therefore the cost to prepare the DC Background Study cannot be funded by DCs.

7. Relationship to Strategic Plan

7.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:

- A) Ensuring the Region's DC By-law is in conformity with the DCA, supporting Goal 5 (Service Excellence)

8. Conclusion

- 8.1 The ASDC By-law review will be undertaken by Regional staff, with the assistance of the recommended consultant and legal counsel to ensure that the ASDC By-law is updated in accordance with the DCA.
- 8.2 The recommended Seaton ASDC By-law review will include consultation with the Area Municipalities, the local development industry, local Boards of Trade, Chamber of Commerce and the public.
- 8.3 This report has been reviewed by staff of the Planning and Economic Development, Works and Corporate Services - Legal Departments who concur with the above recommendations.

Respectfully submitted,

Original Signed By

N. Taylor, BBA, CPA, CA
Commissioner of Finance

Recommended for Presentation to Committee

Original Signed By

Elaine C. Baxter-Trahair
Chief Administrative Officer