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The Regional Municipality of Durham Report

To: Finance and Administration Committee
From: Commissioner of Finance
Report: #2024-F-10
Date: May 14, 2024

Subject:

Recommended Amendments to Regional Development Charges By-law #42-2023 to Remove Phase-in Rates

Recommendation:

That the Finance and Administration Committee recommends to Regional Council:

- A) That the Regional Development Charges (DC) By-law #42-2023 be amended to remove the phase-in provisions as set out in the amending by-law (Attachment #1) and the Regional Transit DCs under By-law #39-2022 return to the full rates both at a future date as set out in recommendation B;
- B) That the Commissioner of Finance and the Regional Solicitor be instructed to prepare the requisite amendment to the DC By-law for presentation to Regional Council for passage upon Schedule 6 of Bill 185, Cutting Red Tape to Build More Homes Act, 2024 coming into force to give effect to Recommendation A, with the full rates coming into effect five business days after Council approves the amending By-law;
- C) That the Regional Solicitor be instructed to revise future development agreements and any by-law(s) relating thereto to reflect any changes required to implement the foregoing recommendations and that any such revised by-law(s) be presented to Council for passage;
- D) That any complete submission for the preparation of a subdivision agreement received by the Development Approvals Division of the Regional Works Department on or prior to the effective date of Schedule 6 of Bill 185 be given the option of being processed under the policies and rates of the current Development Charges By-Law #42-2023 (i.e. without the changes recommended in the amending by-law) or the proposed replacement by-law, where a complete submission requires all of the following to have been submitted to the Development Approvals Division in a form satisfactory to the Region.

- Ministry of the Environment, Conservation and Parks approval is received;
 - Detailed cost estimate received;
 - Three (3) copies of the proposed Final Plan (M-Plan) received;
 - Regional Planning approval of the Final Plan received;
 - Three (3) copies of all proposed Reference Plans (R-Plans) received;
 - Three (3) copies of approved General Plan of Services received (signed by the Local Municipality and the Region); and
 - Regional Subdivision Agreement Information Checklist.
- E) Subdivision agreements which have been processed according to By-Law #42-2023 (i.e. without the changes recommended in the amending by-law) must be executed within three months following the date when the Region re-instates the full rates, otherwise they shall be deemed cancelled and will be replaced with a subdivision agreement processed according to the replacement by-law, where execution requires all of the following to have been submitted to the Regional Legal Services in a form satisfactory to the Region:
- signed Subdivision Agreement received, including all schedules;
 - payments of fees identified in the agreement received;
 - securities identified in the agreement received;
 - prepayment of Development Charges for Sanitary Sewerage, Water Supply and Regional Roads received; and
 - Insurance Certificate received.
- F) That the Regional Treasurer be instructed to prepare the requisite DC pamphlet pursuant to the Development Charges Act, 1997 (DCA) and related materials;
- G) That the Regional Clerk be instructed to follow the notification provisions pursuant to the DCA, should it be required and
- H) That a copy of this report be forwarded to the area municipalities.

Report:**1. Purpose**

- 1.1 The purpose of this report is to provide recommendations regarding proposed amendments to remove the development charge phase in provisions from the Regional Development Charges (DC) By-law #42-2023 as well as information regarding the removal of the phase-in of the Regional Transit DC as anticipated to be permitted under Schedule 6 of Bill 185, Cutting Red Tape to Build More Homes Act, 2024.

2. Background

- 2.1 In November 2022, the Province of Ontario passed the More Homes Built Faster Act, 2022 (Bill 23). The Bill introduced sweeping impacts to development charges (DCs), Regional planning activities, and other items relevant to both Regional and local municipalities in Durham Region. The changes with notable impacts to development charges included:
- a. For all by-laws passed after January 1, 2022, the development charges had to be phased in annually over the first five years the by-law is in force, as follows.
 - Year 1 – 80% of the maximum charge;
 - Year 2 – 85% of the maximum charge;
 - Year 3 – 90% of the maximum charge;
 - Year 4 – 95% of the maximum charge;
 - Year 5 – 100% of the maximum charge;
 - b. A revised definition for capital costs was introduced, which removed studies as an eligible cost for development charges. This included Master Plan Studies and DC Background Studies.
- 2.2 The phase in provisions from Bill 23 impacted two Regional DC By-laws; Regional Transit DC By-law #39-2022 and Regional DC By-law #42-2023 (which includes water, sewer, roads, waste diversion, police, paramedic and long-term care services). Bill 23 did not impact GO Transit DC By-law #86-2001 or the Seaton area-specific DC By-law #38-2019 as these by-laws were passed prior to January 1, 2022.
- 2.3 On June 14, 2023, Regional Council approved Regional DC By-law #42-2023 which became effective on July 1, 2023, and applies to both residential and non-residential development. As per Bill 23, the Regional DC By-law included a five-year phase in of new DC rates. The five-year phase in of new rates set the July 1, 2023, rates at 80% of the full rate from the 2023 background study, increasing by 5% each year on July 1, until the full (100%) value of the proposed rates are reached, which would have been on July 1, 2027.
- a. At the time, staff estimated that the impact of Bill 23 would reduce Regional DC payments by about \$913 million by 2033. This meant there would have been less DC funding available for major capital projects and funding would have been required from property taxes and water and sewer user rates.
- 2.4 Regional Transit DC By-law #39-2022 was approved in June 2022 and implemented on July 1, 2022. Since it was approved prior to Bill 23, this by-law did not include the phase-in provisions, however the Region was required to apply the phased-in rates as of November 28, 2022, when Bill 23 came into effect.

- 2.5 On December 13, 2023, the Province indicated that it will be consulting with municipalities to review certain aspects of Bill 23 in 2024. The potential changes under consideration would reduce the financial impacts of Bill 23 if implemented.
- 2.6 On April 10, 2024, Bill 185, Cutting Red Tape to Build More Homes Act, 2024 was proposed. Schedule 6 of Bill 185 includes several changes to the Development Charge Act, 1997, most notably the elimination of the mandatory five-year phase in of new development charge rates set out in Bill 23. Other notable changes to the Development Charge Act, 1997 include a revised definition of capital costs, which reinstates studies as an eligible capital cost (which were removed from eligibility in the More Homes Built Faster Act, 2022), as well.
- a. Upon Schedule 6 of Bill 185 coming into force (assuming it is passed as currently drafted), the immediate implications for development charges include:
- the mandatory 5-year phase in of new development charges is no longer required and the Region can impose the full DC rates; and
 - capital costs for studies will become an eligible capital cost in the DC rate calculations. This would include the costs of Master Plan Studies and DC Background Studies.
- b. Bill 185 permits a unique six-month window for municipalities to undertake any minor amendments to the DC By-laws (that cannot be appealed to the Ontario Lands Tribunal) impacted by Bill 185 in a streamlined approach, eliminating the requirements for the statutory public process (i.e., no requirement for a public meeting or the completion of a background study).

3. Previous Reports and Decisions

- 3.1 Regional Council passed the current Regional DC by-law (#42-2023) on June 14, 2023, through Report #2023-F-13.
- 3.2 Regional Council passed the current Regional Transit DC By-law (#39-2022) on June 29, 2022, through Report #2022-F-15.
- 3.3 A summary of Bill 23 was provided in Report #2022-INFO-93 in November 2022.

4. Highlights of Final Recommendations

Transit DC By-law #39-2022

- 4.1 Based on Bill 185 as currently drafted, no amendments are required to Transit DC By-law #39-2022 as the phase-in provisions were not expressly included in the by-law and the cost of studies were included in the by-law. Staff propose to return to the full Regional Transit DCs on the effective date of the recommended amendment to remove the phase-in from the Regional DC By-law in order to align the timing of implementation of full DC rates for all Regional services.

Regional DC By-law #42-2023

- 4.2 At this time, staff are recommending Regional DC By-law #42-2023 be amended (Attachment #1) under the streamlined approach noted in section 2.6 to remove the mandatory phase in of new DC rates which were introduced in Bill 23 and are proposed to be rolled back in Bill 185. There are no proposed changes to the Regional DC capital program, rates, or development forecast. The amending by-law is written to take effect 5 business days following Regional Council passage of the amending By-law.
- 4.3 Regional staff will report back to Regional Council with recommendations to re-introduce the cost of studies into DC By-law #42-2023 within the six-month window for the streamlined DC by-law amendment process set out in Bill 185. Staff will undertake the necessary background work to determine the cost of the studies for which their eligibility for inclusion in DCs has been renewed and consult with the building industry over the summer of 2024.
- 4.4 Upon Schedule 6 of Bill 185 coming into force and Regional Council passage of the attached by-law, the Regional DC rates would increase to their full value 5 business days after Regional Council passage. The following tables provide the current DC rates and the full DC rates:

**Table 1
Comparison of Regional Residential DC Rates**

RESIDENTIAL DEVELOPMENT CHARGES BY SERVICE CATEGORY PER SDE		
SERVICE CATEGORY	Current Phased in Rates \$	When Bill 185 is in effect \$
<u>Services Subject to the Amending By-law</u>		
Regional Roads	21,598	26,998
Regional Police Services	782	977
Long Term Care	438	548
Paramedic Services	353	441
Waste Diversion	75	94
Water Supply	20,894	26,117
Sanitary Sewerage	19,086	23,858
Subtotal	63,226	79,033
<u>Services Not Requiring an Amending By-law</u>		
GO Transit	838	838
Regional Transit	2,085	2,453
Subtotal	2,923	3,291
Total (All Services)	\$ 66,149	\$ 82,324

1. Rates will be updated on July 1, 2024, for indexing purposes.

Table 2
Comparison of Regional Non-Residential Commercial DC Rates ^{1,2}

COMMERCIAL DEVELOPMENT CHARGES			
Per Square Foot of Gross Floor Area			
SERVICE CATEGORY	Current Phase in Rate	When Bill 185 is in effect	Change
Regional Roads	17.53	21.91	4.38
Water Supply	6.01	7.51	1.50
Sanitary Sewerage	9.65	12.06	2.41
Regional Transit	0.95	1.11	0.16
Total (All Services)	\$ 34.14	\$ 42.59	\$ 8.45

1. Rates will be updated on July 1, 2024, for indexing purposes.

2. Regional Transit is not in scope of this amendment, but is shown to give a wholesome picture of Region DC's

Table 3
Comparison of Regional Non-Residential Institutional DC Rates ^{1,2}

INSTITUTIONAL DEVELOPMENT CHARGES			
Per Square Foot of Gross Floor Area			
SERVICE CATEGORY	Current Phase in Rate	When Bill 185 is in effect	Change
Regional Roads	13.29	16.61	3.32
Water Supply	1.62	2.03	0.41
Sanitary Sewerage	2.34	2.92	0.58
Regional Transit	0.95	1.11	0.16
Total (All Services)	\$ 18.20	\$ 22.67	\$ 4.47

1. Rates will be updated on July 1, 2024, for indexing purposes.

2. Regional Transit is not in scope of this amendment, but is shown to give a wholesome picture of Region DC's

Table 4
Comparison of Regional Non-Residential Industrial DC Rates ^{1, 2}

INDUSTRIAL DEVELOPMENT CHARGES			
Per Square Foot of Gross Floor Area			
SERVICE CATEGORY	Current Phase in Rate	When Bill 185 is in effect	Change
Regional Roads	6.07	7.59	1.52
Water Supply	3.89	4.86	0.97
Sanitary Sewerage	5.65	7.06	1.41
Regional Transit	0.95	1.11	0.16
Total (All Services)	\$ 16.56	\$ 20.62	\$ 4.06

1. Rates will be updated on July 1, 2024, for indexing purposes.

2. Regional Transit is not in scope of this amendment, but is shown to give a wholesome picture of Region DC's

5. Public Input

5.1 Bill 185 permits a six-month window for municipalities to undertake minor amendments to the DC By-laws impacted by Bill 185 in a streamlined approach, eliminating the requirements for the statutory public process (i.e., no requirement for a public meeting or the completion of a DC Background Study). However, staff have advised Building Industry and Land Development Association, Durham Region Homebuilders Association, and the local chambers of Commerce and Boards of Trade of this report and the recommendation to impose the full Regional DC rates upon Schedule 6 of Bill 185 coming into force and 5 days after subsequent Regional Council passage of the recommended amendment. Regional staff have also offered to meet and discuss (Attachment #3 provides a copy of the letter which was emailed to BILD).

6. Direction to Regional Staff

6.1 Direction from Regional Council is required for the Regional Solicitor, Regional Clerk and Regional Treasurer to complete the various administrative tasks needed to implement the recommended Regional DC By-law. These tasks include the production and distribution of a DC pamphlet, as well as the necessary public notification provisions of the passing of the by-law. Regional staff will ensure that the Regional website is updated with an alert advising of the amendment and the new rates.

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. Transition Policies

- 8.1 The following provides a list of transition policies to be utilized for the implementation of the Region DC By-law (same transitional policies utilized for prior development charge studies):
- a. Any complete submission of a subdivision agreement received prior to the date Bill 185 is in effect will be provided the option of being processed under the current Region Development Charge By-law #42-2023 (i.e. the current by-law without any amendment) or the by-law as amended. This will provide developers the option to pay the current development charge rates (i.e. the phased-in rates). The subdivision agreement must be executed within three months following the date when the Region re-instates the full rates; and
 - b. Any complete building permit application received prior to the full rates being implemented by the Region (i.e. 5 business days after passage of the amending By-law by Regional Council) will be processed at the current rates (prior to the elimination of the phase in), assuming the building permit is issued within two months of the Regional effective date (written correspondence to the Area Treasurers is provided advising them of this transition process for building permit applications).

9. Conclusion

- 9.1 It is recommended that By-law #42-2023 be amended (Amending by-law provided in Attachment #1) as to form to remove the phase in provisions, to take effect 5 days following passage of the amending By-law by Regional Council and the phase in provisions are eliminated as currently drafted. Further, it is recommended that the removal of the phase-in of the Regional Transit DC (which does not require an amendment) take effect at the same time the full DC rates under by-law #42-2023 are in effect (i.e. 5 days following passage of the amending By-law by Regional Council). Staff will present the amending by-law to Council once Bill 185 comes into force for passage by Council.
- 9.2 Regional staff will be recommending further adjustments to the Regional DCs to re-instate the cost of studies in the fall of 2024, once the necessary analysis is completed.
- 9.3 This report has been prepared with the assistance of staff from the Planning & Economic Development Department, Works Department, and the Office of the Chief Administrative Officer - Legal, who concur with the recommendations.

10. Attachments

Attachment #1: Recommended Amending By-law to By-law #42-2023

Attachment #2: By-law #42-2023

Attachment #3: Letter to Land Development Industry

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

Attachment #1

Recommended Amending By-law to By-law #42-2023

By-law Number XX-2024
of The Regional Municipality of Durham

Being a by-law to amend by-law number 42-2023.

Whereas section 19 of the Development Charges Act, 1997, S.O. 1997, c.27 (the “Act”) provides for amendments to development charge by-laws;

And Whereas the Council of The Regional Municipality of Durham requires certain amendments to By-law 42-2023;

And Whereas in accordance with the Act, Bill 185 eliminates the need for a development charge background study as well as the need for a public meeting to make an amendment to By-law 42-2023, and is therefore not provided in the amendment of this By-law;

And Whereas a public notice will be made available to inform the public that Council will address this on May 29th, 2024;

Now therefore, the Council of The Regional Municipality of Durham hereby enacts as follows:

1. **The heading before section 3.18 of By-law 42-2023 (“Mandatory Phase In Reductions in First Four Years”) be removed.**
2. **Section 3.18 of By-law 42-2023 is deleted.**
3. **Section 3.19 of By-law 42-2023 is renumbered section 3.18.**
4. **Section 3.20 of By-law 42-2023 is renumbered section 3.19.**
5. **Section 3.21 of By-law 42-2023 is renumbered section 3.20.**
6. **Section 3.22 of By-law 42-2023 is renumbered section 3.21.**
7. **Section 3.23 of By-law 42-2023 is renumbered section 3.22.**
8. **Section 3.24 of By-law 42-2023 is renumbered section 3.23.**

9. **Schedule B to By-law 42-2023 is replaced with the following schedule:**

Service Category	Detached & Semi-Detached \$	Medium Density Multiples \$	Two Bedroom Apartment & Larger \$	One Bedroom Apartment & Smaller \$
Regional Roads	26,998	21,501	15,718	9,654
Regional Police	977	778	569	349
Long-Term Care	548	436	319	196
Paramedic Services	441	351	257	158
Waste Diversion	94	75	55	34
Subtotal	29,058	23,141	16,918	10,391
Water Supply	26,117	20,800	15,206	9,340
Sanitary Sewerage	23,858	19,000	13,890	8,531
Subtotal	49,975	39,800	29,096	17,871
Total of All Charges	79,033	62,941	46,014	28,262

NOTE: The development charges described above shall be adjusted annually on July 1 pursuant to Section 3.16 of this By-law.

10. **Schedule C to By-law 42-2023 is replaced with the following schedule:**

Service Category	Commercial Development Charges
Water Supply	7.51
Sanitary Sewerage	12.06
Regional Roads	21.91
Total of All Charges	41.48

NOTE: The development charges described above shall be adjusted annually on July 1 pursuant to Section 3.16 of this By-law.

11. **Schedule D to By-law 42-2023 is replaced with the following schedule:**

Service Category	Institutional Development Charges
Water Supply	2.03
Sanitary Sewerage	2.92
Regional Roads	16.61
Total of All Charges	21.56

NOTE: The development charges described above shall be adjusted annually on July 1 pursuant to Section 3.16 of this By-law.

12. **Schedule E to By-law 42-2023 is replaced with the following schedule:**

SERVICE CATEGORY	INDUSTRIAL DEVELOPMENT CHARGES
Water Supply	4.86
Sanitary Sewerage	7.06
Regional Roads	7.59
Total of All Charges	19.51

NOTE: The development charges described above shall be adjusted annually on July 1 pursuant to Section 3.16 of this By-law.

13. **This by-law will come into force and effect 5 business days after Regional Council passage.**

This By-law Read and Passed on the xx day of XX, 2024.

J. Henry, Regional Chair and CEO

A. Harras, Regional Clerk

Attachment #2
Regional Development Charge By-law #42-2023

By-law Number 42-2023
of The Regional Municipality of Durham

Being a by-law regarding the imposition of development charges.

WHEREAS section 2(1) of the *Development Charges Act, 1997*, provides that council of a municipality may by by-law, impose development charges against land to pay for increased capital costs required because of increased needs for services arising from development of the area to which the by-law applies if the development requires one or more of the approvals identified in section 2(2) of the *Development Charges Act, 1997*;

AND WHEREAS a development charge background study, dated March 28, 2023, has been prepared in support of the imposition of development charges;

AND WHEREAS the Council of the Regional Municipality of Durham has given notice and will hold a public meeting on April 12, 2023, in accordance with section 12(1) of the *Development Charges Act, 1997*;

AND WHEREAS the Council of the Regional Municipality of Durham has permitted any person who attended the public meeting to make representations in respect of the proposed development charges;

AND WHEREAS Council considered all of the submissions made in respect of the background study and the proposed development charges;

AND WHEREAS at the Council meeting on June 14, 2023, Council approved the Study and adopted the recommendations in Report #2023-F-13;

NOW THEREFORE, the Council of The Regional Municipality of Durham hereby enacts as follows:

1. Interpretation

Definitions

1.1 In this By-law,

- (a) “Act” means the *Development Charges Act, 1997*, or a successor statute;
- (b) “agricultural use” means lands, buildings or structures, excluding any portion thereof used as a dwelling unit or for a commercial use, used or designed or intended for use for the purpose of a *bona fide* farming operation including, but not limited to, animal husbandry, dairying, livestock, fallow, field crops, removal of sod, forestry, fruit farming, greenhouses, horticulture, market gardening, pasturage, poultry keeping, and equestrian facilities;
- (c) “air-supported structure” means a structure consisting of a pliable membrane that achieves and maintains its shape and is supported by internal air pressure;
- (d) “apartment building” means a residential building, or the residential portion of a mixed-use building, consisting of more than 3 dwelling units, which dwelling units have a common entrance to grade but does not include a triplex, semi-detached duplex, semi-detached triplex, or townhouse. Despite the foregoing, an “apartment building” includes stacked townhouses;

- (e) “apartment” means a dwelling unit in an apartment building or a single storey dwelling unit located within or above a residential garage or a commercial use;
- (f) “area municipality” means a lower-tier municipality that forms part of the Region;
- (g) “bedroom” means a habitable room, of at least seven square meters (7 m²) where a built-in closet is not provided, or at least six square meters (6 m²) where a built-in closet is provided, including a den, study, loft, or other similar area, but does not include a living room, a dining room, a bathroom or a kitchen;
- (h) “building or structure” means a permanent enclosed structure and includes an air-supported structure;
- (i) “commercial accessory building or structure” means a building or structure that complies with all of the following criteria:
 - (i) is not essential to,
 - (ii) is naturally and normally incidental to or subordinate in purpose to,
 - (iii) is exclusively devoted to,
 - (iv) is detached from, and
 - (v) is situated on the same property as,

a principal commercial use. Commercial accessory buildings or structures shall include, but not limited to, the separate storage of refuse or the storage of mechanical equipment related to the operation or maintenance of the principal use, building, structure or site. Commercial accessory buildings or structures shall not include any building or structure, whether in whole or in part, falling within the definition of “commercial use” in this by-law;

- (j) “commercial use” means land, buildings or structures used, designed or intended for use for either or both of office and retail uses as defined in this by-law;
- (k) “Council” means the Council of the Regional Municipality of Durham;
- (l) “detached dwelling” and “detached” means a residential building on one parcel of land comprising at least 1 dwelling unit and not more than 3 dwelling units on that parcel of land, where no portion of the building is attached to any building on another parcel of land;
- (m) “development” includes redevelopment;
- (n) “development charges” means charges imposed pursuant to this By-law in accordance with the Act, except in sections 3.2 to 3.11 where “development charges” means charges with respect to water supply services, sanitary sewer services and regional road services;
- (o) “duplex” means a building comprising, by horizontal division, two dwelling units on one parcel of land;
- (p) “dwelling unit” means a room or suite of rooms used, or designed or intended for use by one person or persons living together, in which culinary and sanitary facilities are provided for the exclusive use of such person or persons;
- (q) “existing industrial building” means a building used for or in connection with,
 - (i) manufacturing, producing, processing, storing or distributing something,

- (ii) research or development in connection with manufacturing, producing or processing something,
- (iii) retail sales by a manufacturer, producer or processor of something they manufactured, produced or processed, if the retail sales are at the site where the manufacturing, production or processing takes place,
- (iv) office or administrative purposes, if they are,
 1. carried out with respect to manufacturing, producing, processing, storage or distributing of something, and
 2. in or attached to the building or structure used for that manufacturing, producing, processing, storage or distribution;
- (r) “farm building” means a building or structure used, in connection with a bona fide agricultural use and includes barns, silos, and similar structures, and includes a dwelling located on the same lot as the agricultural use or on a lot directly abutting the agricultural use, which is used exclusively for the housing of temporary or seasonal persons employed exclusively for the farming of that agricultural use, but otherwise excludes a building or structure used, or designed or intended for use for residential or commercial uses;
- (s) “gross floor area” means (except for the purposes of sections 2.24 to 2.26), in the case of a non-residential building or structure or the non-residential portion of a mixed-use building or structure, the aggregate of the areas of each floor, whether above or below grade, measured between the exterior faces of the exterior walls of the building or structure or pliable membrane in the case of an air supported structure, or from the centre line of a common wall separating a non-residential and a residential use, and, for the purposes of this definition, the non-residential portion of a mixed-use building is deemed to include one-half of any area common to the residential and non-residential portions of such mixed-use building or structure;
- (t) “hospice” means a building or structure used to provide not for profit palliative care to the terminally ill;
- (u) “industrial use” means lands, buildings or structures used or designed or intended for use for manufacturing, producing, processing, fabricating or assembly of raw goods, research or development in connection therewith, and includes office uses, warehousing or bulk storage of goods and the sale of commodities to the general public where such uses are accessory to an industrial use, but does not include the sale of commodities to the general public through a warehouse club or similar use;
- (v) “institutional use” means lands, buildings or structures used or designed or intended for use by a non-profit organized body, society or religious group for promoting a public and non-profit purpose, and would include a hospice and office uses where such uses are accessory to an institutional use;
- (w) “institutional development” for the purposes of section 3.13 means development of a building or structure intended for use,
 - (i) as a long-term care home within the meaning of subsection 2 (1) of the Long-Term Care Homes Act, 2007;
 - (ii) as a retirement home within the meaning of subsection 2 (1) of the Retirement Homes Act, 2010;
 - (iii) by any of the following post-secondary institutions for the objects of the institution:

1. a university in Ontario that receives direct, regular and ongoing operating funding from the Government of Ontario,
 2. a college or university federated or affiliated with a university described in subclause (i), or
 3. an Indigenous Institute prescribed for the purposes of section 6 of the Indigenous Institutes Act, 2017;
- (iv) as a memorial home, clubhouse or athletic grounds by an Ontario branch of the Royal Canadian Legion; or
- (v) as a hospice to provide end of life care.
- (x) “local board” means a local board as defined in the Municipal Affairs Act, other than a board defined in subsection 1(1) of the Education Act;
- (y) “medium density multiples” includes plexes, townhouses and all other residential uses that are not included in the definition of “apartment building”, “apartment”, “mobile homes”, “retirement residence units”, “detached”, “detached dwelling” or “semi-detached dwelling”;
- (z) “mixed-use” means land, buildings or structures used, or designed or intended for use, for a combination of at least two of commercial, industrial, institutional or residential uses;
- (aa) “mobile home” means any dwelling that is designed to be made mobile, and constructed or manufactured to provide a permanent or temporary residence for one or more persons, but does not include a travel trailer or tent trailer or trailer otherwise designed;
- (bb) non-profit housing development, means development of a building or structure intended for use as residential premises and developed by,
- (i) a corporation to which the Not-for-Profit Corporations Act, 2010 applies, that is in good standing under that Act and whose primary object is to provide housing;
 - (ii) a corporation without share capital to which the Canada Not-for-profit Corporations Act applies, that is in good standing under that Act and whose primary object is to provide housing; or
 - (iii) a non-profit housing co-operative that is in good standing under the Co-operative Corporations Act.
- (cc) “non-residential use” means lands, buildings or structures or portions thereof used, or designed or intended for use for other than residential use, and includes commercial, industrial and institutional uses;
- (dd) “office use” means lands, buildings or structures used or designed or intended for use for the practice of a profession, the carrying on of a business or occupation and, for greater certainty, but without in any way limiting the generality of the foregoing, shall include but not be limited to the office of a physician, lawyer, dentist, architect, engineer, accountant, real estate or insurance agency, insurance company, veterinarian, surveyor, appraiser, financial institution, consumer loan company, employment agency, advertising agency, consulting firm, business service, investment company, security broker, mortgage company, medical clinic, builder, land developer;
- (ee) “place of worship” means a building or structure or part thereof that is used primarily for worship and is exempt from taxation as a place of worship under the Assessment Act;

- (ff) “plex” means a duplex, a semi-detached duplex, a triplex or a semi-detached triplex;
- (gg) “Region” means the Regional Municipality of Durham;
- (hh) “region-wide charges” means the development charges imposed in regard to the region-wide services;
- (ii) “region-wide services” means services in regard to regional roads, regional police, paramedic services, long term care, and waste diversion;
- (jj) “rental housing”, means development of a building or structure with four or more dwelling units all of which are intended for use as rented residential premises.
- (kk) “residential use” means lands, buildings or structures used, or designed or intended for use as a home or residence of one or more individuals, and shall include any building or structure containing dwelling units, and include but not limited to, a detached dwelling, a semi-detached dwelling, a townhouse, a plex, a stacked townhouse, an apartment, an apartment building, a mobile home, a retirement residence and a residential dwelling unit accessory to a non-residential use;
- (ll) “retail use” means lands, buildings or structures used or designed or intended for use for the sale or rental or offer for sale or rental of goods or services for consumption or use and, for greater certainty, but without in any way limiting the generality of the foregoing, shall include, but not be limited to, food stores, pharmacies, clothing stores, furniture stores, department stores, sporting goods stores, appliance stores, garden centres, automotive dealers, automotive repair shops, gasoline service stations, government owned retail facilities, private daycare, private schools, private lodging, private recreational facilities, sports clubs, golf courses, skiing facilities, race tracks, gambling operations, medical clinics, funeral homes, motels, hotels, rooming houses, restaurants, theatres, facilities for motion picture, audio and video production and distribution, sound recording services, self-storage facilities and secure document storage;
- (mm) “retirement residence” means a residential building or the residential portion of a mixed-use building which provides accommodation for persons of retirement age, where common facilities for the preparation and consumption of food are provided for the residents of the building, and where each unit or living accommodation has separate sanitary facilities, less than full culinary facilities and a separate entrance from a common hall;
- (nn) “retirement residence unit” means a unit within a retirement residence;
- (oo) “rooming house” means a detached building or structure which comprises rooms that are rented for lodging and where the rooms do not have both culinary and sanitary facilities for the exclusive use of individual occupants;
- (pp) “Seaton Community” means the lands shown on Schedule “F”, which may generally be described as being bounded: to the south by the Canadian Pacific Railway right-of-way; to the west by West Duffins Creek; to the north by Provincial Highway No. 7; and to the east by Sideline 16 and the boundary between the City of Pickering and the Town of Ajax, and excludes the lands comprising the Hamlet communities of Whitevale, Green River and Brougham;
- (qq) “semi-detached building” means a building on two parcels of land, divided vertically (above or below ground) along the common lot line of the two parcels and comprising at least 1 dwelling unit and not more than 3 dwelling units on each parcel;

- (rr) “semi-detached dwelling” means the portion of a semi-detached building on one parcel of land comprising at least 1 dwelling unit and not more than 3 dwelling units;
- (ss) “semi-detached triplex” means one of a pair of triplexes divided vertically one from the other by a party wall;
- (tt) “serviced” means the particular service is connected to or available to be connected to the lands, buildings or structures, or, as a result of the development, will be connected to or will be available to be connected to the lands, buildings or structures, or the lands to be developed are in an area designated for the particular service in the Region’s Official Plan;
- (uu) “services” means the services designated in section 2.10 of this by-law;
- (vv) “stacked townhouse” means a building, other than a plex, a detached dwelling or townhouse, containing at least 3 dwelling units; each dwelling unit separated from the other vertically and/or horizontally and each dwelling unit having a separate entrance to grade;
- (ww) “townhouse building” means a residential building, on at least 3 parcels of land divided vertically (above or below ground) along the common lot line between each of the parcels and comprising at least 1 dwelling unit and not more than 3 dwelling units on each parcel;
- (xx) “townhouse dwelling” means the portion of a townhouse building on one parcel of land comprising at least 1 dwelling unit and not more than 3 dwelling units;
- (yy) “triplex” means a building comprising 3 dwelling units.

1.2 In this by-law where reference is made to a statute or a section of a statute such reference is deemed to be a reference to any successor statute or section.

2. Application of By-Law — Rules

Circumstances Where Development Charges are Payable

- 2.1 Development charges shall be payable in the amounts set out in sections 2.11, 2.17 to 2.22 of this by-law where:
- (a) the lands are located in the area described in subsection 2.2 of this by-law; and
 - (b) the development of the lands requires any of the approvals set out in section 2.5.

Area to Which By-law Applies

- 2.2 Subject to subsections 2.3 and 2.4, this by-law applies to all lands in the Region.
- 2.3 This by-law shall not apply to lands that are owned by and used for the purposes of:
- (a) the Region or a local board thereof;
 - (b) a board as defined in subsection 1(1) of the Education Act; and
 - (c) an area municipality or a local board thereof in the Region.
- 2.4 Development charges imposed under this by-law in regard to water supply and sanitary sewerage services do not apply to the development of lands located within the Seaton Community. For greater certainty, the balance of the development charges imposed under this by-law apply to the development of lands located within the Seaton Community.

Approvals for Development

- 2.5 Development charges shall be imposed upon all lands, buildings or structures that are developed for residential or non-residential uses if the development requires,
- (a) the passing of a zoning by-law or of an amendment thereto under section 34 of the Planning Act;
 - (b) the approval of a minor variance under section 45 of the Planning Act;
 - (c) a conveyance of land to which a by-law passed under subsection 50(7) of the Planning Act applies;
 - (d) the approval of a plan of subdivision under section 51 of the Planning Act;
 - (e) a consent under section 53 of the Planning Act;
 - (f) the approval of a description under section 9 of the Condominium Act, 1998; or
 - (g) the issuing of a permit under the Building Code Act, 1992 in relation to a building or structure.

Designation of Services

- 2.6 It is hereby declared by Council that all development of land within the area to which this By-law applies will increase the need for services.
- 2.7 The development charges under this By-law applicable to a development shall apply without regard to the services required or used by a particular development.
- 2.8 No more than one development charge for each service designated in section 2.10 shall be imposed on land to which this by-law applies even though two or more of the actions described in section 2.5 are required before the land can be developed.
- 2.9 Notwithstanding subsection 2.8, if two or more of the actions described in section 2.5 occur at different times, additional development charges shall be imposed if the subsequent action has the effect of increasing the need for services.
- 2.10 The categories of services for which development charges are imposed under this by-law are as follows:
- (a) water supply;
 - (b) sanitary sewerage;
 - (c) regional roads;
 - (d) long term care;
 - (e) regional police;
 - (f) paramedic services; and
 - (g) waste diversion;

The components of the services designated in subsection 2.10 are described on Schedule "A".

Amount of Charge

Residential

2.11 The development charges described in Schedule “B” to this by-law shall be imposed upon residential uses of lands, buildings or structures, including a dwelling unit accessory to a non-residential use and, in the case of a mixed use building or structure, upon the residential uses in the mixed use building or structure, according to the type of residential unit. The development charges payable shall comprise the following:

- (a) Region-wide Charges
 - (i) a development charge with respect to each of the region-wide services according to the type of residential use;
- (b) Regional Water Supply and Sanitary Sewer Charges
 - (i) where the lands, buildings or structures are serviced by regional water supply services, the development charge with respect to water supply services according to the type of residential use;
 - (ii) where the lands, buildings or structures are serviced by regional sanitary sewer services, the development charge with respect to sanitary sewer services according to the type of residential use.

Exemptions

2.12 Development charges shall not be imposed in respect to:

- (a) the issuance of a building permit not resulting in the creation of an additional dwelling unit;
- (b) the enlargement of an existing dwelling unit;
- (c) the creation of additional dwelling units in accordance with the following table:

Description of Class of Existing Residential Buildings	Maximum Number of Additional Dwelling Units	Restrictions
2.12 (c)(i) Existing detached, semi-detached or townhouse dwellings, which contain a single dwelling unit, and where there are no other dwelling units in other buildings or structures on the parcel of land	Two	No exemption applies for the creation of a dwelling unit or units which would result in more than a total of three dwelling units on a parcel of land
2.12 (c)(ii) Existing detached, semi-detached or townhouse dwellings, each of which contains a single dwelling unit and where there is no more than one dwelling unit in other buildings or structures on the parcel of land	One	No exemption applies for the creation of a dwelling unit or units which would result in more than a total of three dwelling units on a parcel of land
2.12 (c)(iii) Existing detached, semi-detached or townhouse dwellings, each of which contains no more than 2 dwelling	One	This exemption applies only for the creation of a dwelling unit in an ancillary building or structure and no exemption applies for the creation of a dwelling unit or units which would result in more than a

units and where there are no other dwelling units in other buildings or structures on the parcel of land		total of three dwelling units on a parcel of land
2.12 (c)(iv) Existing rental residential buildings, each of which contains four or more dwelling units.	Greater of one and 1% of the existing units in the building	No exemption applies where it would result in a total number of dwelling units where units created under the exemption in this By-law would exceed the greater of one unit or 1% of the units existing in the building prior to the first exemption for an additional dwelling unit.
2.12 (c)(v) An existing residential building not in another class of residential building described in this table.	One	No exemption applies where a dwelling unit has already been created with an exemption this By-law.

- (d) the creation of additional dwelling units in accordance with the following table:

Description of Class of Proposed New Residential Buildings & Number of Units Proposed	Restrictions
2.12 (d)(i) the second or third dwelling units in a proposed detached, semi-detached or townhouse dwelling where there are no other dwelling units, existing or proposed, in other buildings or structures on the parcel of land	No exemption applies for the creation of first dwelling unit or where a dwelling unit or units which would result in more than a total of three dwelling units on a parcel of land
2.12 (d)(iii) one dwelling unit in a proposed new residential building that would be ancillary to a proposed new detached dwelling, semi-detached dwelling or townhouse dwelling which would not contain more than a two dwelling units.	No exemption applies for the creation of a dwelling unit which would result in more than a total of three dwelling units on a parcel of land.

- (e) non-profit housing development; and
- (f) residential units that are affordable housing units required to be included in a development or redevelopment (“inclusionary zoning units”) pursuant to a by-law passed under section 34 of the Planning Act to give effect to the policies described in subsection 16 (4) of that Act;

Mobile Home

- 2.13 The development charges imposed upon a mobile home under section 2.11 shall be payable at the rate applicable to an apartment of two bedrooms or larger.
- 2.14 The development charges paid in regard to a mobile home shall be refunded in full to the then current owner thereof, upon request, if the mobile home is removed within ten years of the issuance of the building permit relating thereto.
- 2.15 The onus is on the applicant to produce evidence to the satisfaction of the Region, acting reasonably, which establishes that the applicant is entitled to the refund claimed under this section.

Retirement Residence Unit

- 2.16 The development charges imposed on a retirement residence unit under section 2.11 shall be payable at the rate applicable to an apartment of one bedroom and smaller.

Non-Residential

Commercial

- 2.17 The development charges described in Schedule “C” to this by-law shall be imposed upon commercial uses of lands, buildings or structures, and, in the case of a mixed use building or structure, upon the commercial uses in the mixed use building or structure. The development charges payable shall comprise the following:
- (a) Regional Road Charges
 - (i) a development charge with respect to regional road services according to the gross floor area of the commercial use;
 - (b) Regional Water Supply and Sanitary Sewer Charges
 - (i) where the lands, buildings or structures are serviced by regional water supply services, the development charge with respect to water supply services according to the gross floor area of the commercial use;
 - (ii) where the lands, buildings or structures are serviced by regional sanitary sewer services, the development charge with respect to sanitary sewer services according to the gross floor area of the commercial use.
- 2.18 Subject to subsections 2.19 and 2.20 of this by-law, the development charges imposed on commercial accessory buildings or structures shall be payable at the rate applicable to industrial development under Schedule “E”.
- 2.19 The application of development charges at the industrial rate in regard to commercial accessory buildings or structures shall be limited to an aggregate of 7,000 square feet of gross floor area of all such buildings or structures on the same site.
- 2.20 Development charges at the rate applicable to commercial development under Schedule “C” shall be imposed upon the gross floor area of commercial accessory buildings or structures in excess of 7,000 square feet on the same site.

Institutional

- 2.21 The development charges described in Schedule “D” to this by-law shall be imposed upon institutional uses of lands, buildings or structures, and, in the case of a mixed use building or structure, upon the institutional uses in the mixed use building or structure. The development charges payable shall comprise the following:
- (a) Regional Road Charges
 - (i) a development charge with respect to regional road services according to the gross floor area of the institutional use;
 - (b) Regional Water Supply and Sanitary Sewer Charges
 - (i) where the lands, buildings or structures are serviced by regional water supply services, the development charge with respect to water supply services according to the gross floor area of the institutional use;

- (ii) where the lands, buildings or structures are serviced by regional sanitary sewer services, the development charge with respect to sanitary sewer services according to the gross floor area of the institutional use.

Industrial

2.22 The development charges described in Schedule “E” to this by-law shall be imposed upon industrial uses of lands, buildings or structures, and, in the case of a mixed use building or structure, upon the industrial uses in the mixed use building or structure. The development charges payable shall comprise the following:

- (a) Regional Road Charges
 - (i) a development charge with respect to regional road services according to the gross floor area of the industrial use;
- (b) Regional Water Supply and Sanitary Sewer Charges
 - (i) where the lands, buildings or structures are serviced by regional water supply services, the development charge with respect to water supply services according to the gross floor area of the industrial use;
 - (ii) where the lands, buildings or structures are serviced by regional sanitary sewer services, the development charge with respect to sanitary sewer services according to the gross floor area of the industrial use.

Exemptions

2.23 Notwithstanding the provisions of this by-law, development charges shall not be imposed in regard to:

- (a) agricultural uses and farm buildings;
- (b) places of worship;
- (c) public hospitals receiving aid under the Public Hospitals Act, R.S.O. 1990, c. P.40, excluding such buildings or structures or parts thereof used, designed or intended for use primarily for or in connection with a commercial purpose;
- (d) any part of a building or structure used for the parking of motor vehicles, excluding parking spaces for display of motor vehicles for sale or lease or parking spaces associated with the servicing of motor vehicles;
- (e) free standing roof-like structures and canopies that do not have exterior walls; and
- (f) land vested in or leased to a university that receives regular and ongoing operating funds from the government for the purposes of post-secondary education, but only if the lands are occupied and used by the university.

Exemption for Enlargement of Existing Industrial Building

2.24 Despite any other provisions of this by-law, if a development includes the enlargement of the gross floor area of an existing industrial building, the amount of the development charge that is payable in respect of the enlargement shall be calculated as follows:

- (a) if the gross floor area is enlarged by fifty percent or less, the amount of the development charge in respect of the enlargement is zero;

- (b) if the gross floor area is enlarged by more than fifty percent the amount of the development charge in respect of the enlargement is the amount of the development charge that would otherwise be payable multiplied by the fraction determined as follows:
 - (i) determine the amount by which the enlargement exceeds fifty percent of the gross floor area before the enlargement; and
 - (ii) divide the amount determined under paragraph (i) by the amount of the enlargement.

2.25 For the purposes of subsection 2.24 the following provisions apply:

- (a) the gross floor area of an existing industrial building shall be calculated as it existed as of July 1, 2023;
- (b) subject to (c) below, the enlargement need not be an attached addition or expansion of an existing industrial building, but rather may be a new standalone structure, provided it is located on the same parcel of land as the existing industrial building;
- (c) in the event that the enlargement is in the form of a standalone building or structure located on the same parcel of land as per (b) above, prior to the issuance of a building permit for the standalone building or structure, the owner shall be required to enter into an agreement with the Region under section 27 of the Act respecting the timing and calculation of payment of development charges, notice of which the owner shall register on the title to the lands at its sole cost and expense with the intention that the provisions shall bind and run with title to the lands. Such agreement will require that in the event that the lands upon which any standalone building or structure is located are the subject of an application for consent under section 53 of the Planning Act; or for which a by-law is passed under subsection 50(7) of the Planning Act, within 10 years of building permit issuance for such standalone building or structure, that the development charges that would have otherwise been payable for such standalone building or structure, shall become due and payable.

2.26 In subsections 2.24 and 2.25 “gross floor area” means the total floor area, measured between the outside of exterior walls or between the outside of exterior walls and the centre line of party walls dividing the building from another building, of all floors above the average level of finished ground adjoining the building at its exterior walls.

Reduction of Development Charges For Redevelopment

2.27 Despite any other provision of this by-law, where, as a result of the redevelopment of land, a building or structure existing on the land within five years prior to the date of payment of development charges in regard to such redevelopment was, or is to be demolished, in whole or in part, or converted from one principal use to another, in order to facilitate the redevelopment, the development charges otherwise payable with respect to such redevelopment shall be reduced by the following amounts:

- (a) in the case of a residential building or structure, the amount of the reduction in the applicable development charges will equal the applicable development charges under section 2.11 of this by-law that would have been chargeable on the type of dwelling units demolished or to be demolished or converted to another use; and
- (b) in the case of a non-residential building or structure, the amount of the reduction in the applicable development charges will equal the applicable development charges under sections 2.17 to 2.22 of this by-law that would have been chargeable on the gross floor area of the non-residential building or structure that was demolished or to be demolished or converted to another use;

- (c) in the case of a non-residential building or structure that would have been exempt from the payment of development charges under the current Regional Development Charge By-law, the amount of the reduction in the applicable development charge will equal the applicable development charge under section 2.21 of this by-law that, had the building or structure not been exempt, could have been chargeable on the gross floor area of the non-residential building or structure that was demolished or to be demolished or converted to another use; and
- (d) in the case of a mixed-use building or structure, the amount of the reduction in the applicable development charges will equal the applicable development charges under sections 2.11, 2.17 to 2.22 of this by-law that would have been chargeable either upon the type of dwelling units or the gross floor area of non-residential use in the mixed-use building or structure that is being demolished or to be demolished or converted to another use;

provided that such amounts shall not exceed, in total, the amount of the development charges otherwise payable with respect to the redevelopment.

- 2.28 The five year period referred to in subsection 2.27 of this by-law shall be calculated from the date of the issuance of the first demolition permit.
- 2.29 The onus is on the applicant to produce evidence to the satisfaction of the Region, acting reasonably, which establishes that the applicant is entitled to the reduction in the payment of development charges claimed under this section.

Reduction for Rental Housing Development

- 2.30 The development charges set out on Schedule B shall be:
 - (a) In rental housing development, for dwelling units with 3 or more bedrooms: 75% of the Total of All Charges shown on Schedule B;
 - (b) In rental housing development, for dwelling units with 2 bedrooms: 80% of the Total of All Charges shown on Schedule B; and
 - (c) In rental housing development, for all other dwelling units: 85% of the Total of All Charges shown on Schedule B;
 - (d) The amounts in subsections (a) to (c) are in addition to any applicable mandatory phase-in reductions pursuant to section 3.18 of this by-law.

3. Administration

Timing of Payment of Development Charges

- 3.1 Development charges, determined in accordance with section 3.14 and adjusted in accordance with section 3.16 of this by-law, are payable in full on the date on which a building permit is issued with respect to each dwelling unit, building or structure.
- 3.2 Notwithstanding section 3.1, development charges, determined in accordance with sections 3.14 and adjusted in accordance with section 3.16 of this by-law, with respect to water supply services, sanitary sewer services and regional road services shall be payable, with respect to an approval of a residential plan of subdivision under section 51 of the Planning Act, immediately upon the owner entering into the subdivision agreement with the Region, on the basis of the proposed number and type of dwelling units in the plan of subdivision.
- 3.3 Notwithstanding section 3.2, development charges applicable to a high density or condominium block in a residential plan of subdivision are payable in accordance with section 3.1.

- 3.4 Notwithstanding subsection 3.2, where an owner elects to enter into an agreement with the Region pursuant to section 27 of the Act, development charges with respect to water supply services, sanitary sewer services and regional road services may be payable as follows:
- (a) upon the execution of the subdivision agreement, 50% of the development charges otherwise payable under subsection 3.2, adjusted in accordance with section 3.16 to the date of payment; and
 - (b) on the first anniversary date of the execution of the subdivision agreement, 50% of the development charges otherwise payable under subsection 3.2, adjusted in accordance with section 3.16 to the date of payment;

provided, however, in regard to any lot on the plan of subdivision, any balance of the development charges owing during the one year period following execution of the subdivision agreement shall become payable, after adjustment in accordance with section 3.16 to the date of payment, on the date a building permit is issued in regard to such lot.

- 3.5 The balance of the development charges outstanding at any time that are payable in accordance with subsection 3.4 shall be secured by a letter of credit, in a form acceptable to the Region, in an amount which is equal to 55% of the development charges as determined under section 2.11. The payment of the outstanding balance under subsection 3.4 may be made by way of a draw by the Region on the letter of credit.
- 3.6 Notwithstanding subsection 3.1 and subsection 3.4, Council, from time to time, and at any time, may enter into agreements in accordance with section 27 of the Act which provide for all or any part of a development charge to be paid before or after it would otherwise be payable.
- 3.7 If, at the time of issuance of a building permit or permits in regard to a lot on a plan of subdivision for which payments have been made pursuant to subsection 3.2 or 3.4, the type of dwelling unit for which building permits are being issued is different than that used for the calculation and payment under subsection 3.2 or 3.4, and there has been no change in the zoning affecting such lot, and the development charges for the type of dwelling unit for which building permits are being issued were greater at the time that payments were made pursuant to subsection 3.2 or 3.4 than for the type of dwelling unit used to calculate the payment under subsection 3.2 or 3.4, an additional payment to the Region is required, which payment, in regard to such different unit types, shall be the difference between the development charges in respect to the type of dwelling unit for which building permits are being issued, calculated as at the date of issuance of the building permit or permits, and the development charges previously collected in regard thereto, adjusted in accordance with section 3.16 of this by-law to the date of issuance of the building permit or permits.
- 3.8 If, at the time of issuance of a building permit or permits in regard to a lot on a plan of subdivision for which payments have been made pursuant to subsection 3.2 or 3.4, the total number of dwelling units of a particular type for which building permits have been or are being issued is greater, on a cumulative basis, than that used for the calculation and payment under subsection 3.2 or 3.4, and there has been no change in the zoning affecting such lot, an additional payment to the Region is required, which payment shall be calculated on the basis of the number of additional dwelling units at the rate prevailing as at the date of issuance of the building permit or permits for such dwelling units.
- 3.9 If, at the time of issuance of a building permit or permits in regard to a lot on a plan of subdivision for which payments have been made pursuant to subsection 3.2 or 3.4, the type of dwelling unit for which building permits are being issued is different than that used for the calculation and payment under subsection 3.2 or 3.4, and there has been no change in the zoning affecting such lot, and the development charges for the type of dwelling unit for which building permits are

being issued were less at the time that payments were made pursuant to subsection 3.2 or 3.4 than for the type of dwelling unit used to calculate the payment under subsection 3.2 or 3.4, a refund in regard to such different unit types shall be paid by the Region, which refund shall be the difference between the development charges previously collected, adjusted in accordance with section 3.16 of this by-law to the date of issuance of the building permit or permits, and the development charges in respect to the type of dwelling unit for which building permits are being issued, calculated as at the date of issuance of the building permit or permits.

- 3.10 If, at the time of issuance of a building permit or permits in regard to a lot on a plan of subdivision for which payments have been made pursuant to subsection 3.2 or 3.4, the total number of dwelling units of a particular type for which building permits have been or are being issued is less, on a cumulative basis, than that used for the calculation and payment under subsection 3.2 or 3.4, and there has been no change in the zoning affecting such lot, a refund shall be paid by the Region, which refund shall be calculated on the basis of the number of fewer dwelling units at the rate prevailing as at the date of issuance of the building permit or permits.
- 3.11 Notwithstanding subsections 3.9 and 3.10, a refund shall not exceed the amount of the development charges paid under subsections 3.2 to 3.6.

Payment by Services

- 3.12 Notwithstanding the payments required under subsection 3.1 to 3.6, the Region may, by agreement pursuant to section 38 of the Act, permit an owner to provide services in lieu of the payment of all or any portion of a development charge. The Region shall give the owner who performed the work a credit towards the development charge in accordance with the agreement subject to the requirements of the Act.
- 3.13 Notwithstanding subsection 3.1 to 3.6, where development charges become payable after January 1, 2020 for development of rental housing that is not non-profit housing development and institutional development, development charges shall be paid in equal annual instalments, with interest where applicable pursuant to the Region of Durham Development Charge Interest Rate Policy as amended from time to time, beginning on the earlier of the date of issuance of a permit under the Building Code Act, 1992 authorizing occupation of the building and the date the building is first occupied, and continuing on the following five anniversaries of that date.

Determining Amount Payable

- 3.14 The development charges payable will be the development charge shown in the applicable Schedules to this by-law to be payable, with indexing under section 3.16, and where applicable, with interest under section 3.17, as follows:
- (a) for those developments to which section 3.13 applies,
 - (i) for applications filed after December 31, 2019, the day an application for an approval of development in a site plan control area under subsection 41 (4) of the Planning Act was made, provided the first building permit is issued within two years of the date that application was approved;
 - (ii) if clause (i) does not apply, for applications filed after December 31, 2019, the day an application for an amendment to a by-law passed under section 34 of the Planning Act was made, provided the first building permit is issued within two years of the date that amendment comes into force and effect; or
 - (iii) if neither clause (i) nor clause (ii) applies, the day the development charge would be payable in accordance with 3.1 to 3.6 of this by-law; and

- (b) for those developments to which section 3.13 does not apply,
 - (i) for applications filed after December 31, 2019, the day an application for an approval of development in a site plan control area under subsection 41 (4) of the Planning Act was made, provided the date the development charge is payable is within two years of the date that application was approved;
 - (ii) if clause (i) does not apply, for applications filed after December 31, 2019, the day an application for an amendment to a by-law passed under section 34 of the Planning Act was made, provided the date the development charge is payable is within two years of the date that amendment is brought into force and effect; or
 - (iii) if neither clause (i) nor clause (ii) applies, the day the development charge would be payable in accordance with sections 3.1 to 3.6 of this by-law.

Front-Ending Agreements

3.15 Council, from time to time, and at any time, may enter into front-ending agreements in accordance with the Act.

Indexing

3.16 Development charges imposed pursuant to this by-law shall be adjusted annually, without amendment to this by-law, as of the 1st day of July, 2024, and on each successive July 1st date in accordance with the Statistics Canada Quarterly, Construction Price Statistics, catalogue number 62-207, for the most recently available annual period ending March 31.

Interest

3.17 Development charges payable per this by-law shall bear interest in accordance with the Region of Durham Development Charge Interest Rate Policy, as amended from time to time.

Mandatory Phase-In Reduction in First Four Years

3.18 Despite the above, the Total of All Charges on Schedules B to E of this by-law shall be reduced for the first four years this by-law is in force in accordance with the applicable mandatory phase-in amounts shown under the Total of All Charges Row on each Schedule, with the annual time period to start on the day this by-law comes into force and increase to the next annual amount on the respective anniversary of the day this by-law comes into force.

3.19 The following schedules to this by-law form an integral part thereof:

- (a) Schedule "A" - Components of Services Designated in section 2.10
- (b) Schedule "B" - Residential Development Charges
- (c) Schedule "C" - Commercial Development Charges
- (d) Schedule "D" - Institutional Development Charges
- (e) Schedule "E" - Industrial Development Charges
- (f) Schedule "F" - Map of Seaton Community

Date By-law in Force

3.20 This by-law shall come into force on July 1, 2023.

Repeal

3.21 By-law No.28-2018 is hereby repealed effective on the date this by-law comes into force.

Registration

3.22 A certified copy of this by-law may be registered on title to any land to which this by-law applies.

Severability

3.23 In the event any provision, or part thereof, of this by-law is found by a court of competent jurisdiction to be ultra vires, such provision, or part thereof, shall be deemed to be severed, and the remaining portion of such provision and all other provisions of this by-law shall remain in full force and effect.

Short Title

3.24 This By-law may be cited as the Regional Municipality of Durham Development Charges By-law, 2023.

This By-law Read and Passed on the 14th day of June, 2023.

J. Henry, Regional Chair and CEO

A. Harras, Regional Clerk

Schedule "A"

Designated Regional Services and Service Components Thereunder

Category of Regional Services	Service Components
1. Regional Road	<ul style="list-style-type: none">• Regional Road Construction/Improvements/Urbanization• Improvements to Highway Interchanges/Grade Separations• Intersection and Corridor Improvements• Traffic Signals and Systems• Property Acquisition• Maintenance Facilities• Capital Equipment• Landscaping• Environmental Assessment
2. Regional Police	<ul style="list-style-type: none">• Costs to Acquire Land or an Interest in Land, Including a Leasehold Interest• Costs to Improve Land• Costs to Acquire, Lease, Construct or Improve Buildings and Structures• Costs to Acquire, Lease, Construct or Improve Facilities• Vehicles and Capital Equipment
3. Long Term Care	<ul style="list-style-type: none">• Costs to Improve Land• Costs to Acquire, Lease, Construct or Improve Buildings and Structures• Costs to Acquire, Lease, Construct or Improve Facilities
4. Water Supply	<ul style="list-style-type: none">• Pumping Stations• Reservoirs• Feeder mains• Water Supply Plants and Municipal Wells• Property Acquisition• Capital Equipment• Environmental Assessment• Water Use Efficiency Strategy• Well Interference
5. Sanitary Sewerage	<ul style="list-style-type: none">• Sewage Pumping Stations and Forcemains• Trunk Sanitary Sewers• Water Pollution Control Plants• Sludge Storage and Disposal Facilities• Property Acquisition• Capital Equipment• Environmental Assessment• Water Use Efficiency
6. Paramedic Services	<ul style="list-style-type: none">• Costs to Acquire Land or an Interest in Land, Including a Leasehold Interest• Costs to Improve Land• Costs to Acquire, Lease, Construct or Improve Buildings and Structures• Costs to Acquire, Lease, Construct or Improve Facilities• Vehicles and Capital Equipment
7. Waste Diversion	<ul style="list-style-type: none">• Costs for Construction of new Buildings or Units• Capital Equipment

Schedule "B"

**Residential Development Charges per Dwelling Unit
\$ per Dwelling Type**

Service Category	Detached & Semi-Detached \$	Medium Density Multiples \$	Two Bedroom Apartment & Larger \$	One Bedroom Apartment & Smaller \$
Region-Wide Charges				
Regional Roads	26,998	21,501	15,718	9,654
Regional Police	977	778	569	349
Long-Term Care	548	436	319	196
Paramedic Services	441	351	257	158
Waste Diversion	94	75	55	34
Subtotal	29,058	23,141	16,918	10,391
Regional Water Supply & Sanitary Sewer Charges				
Water Supply	26,117	20,800	15,206	9,340
Sanitary Sewerage	23,858	19,000	13,890	8,531
Subtotal	49,975	39,800	29,096	17,871
Total of All Charges (July 1, 2027 onward – see Section 3.18)	79,033	62,941	46,014	28,262
With Phase-Ins (see Section 3.18)				
July 1, 2023 to June 30, 2024 (80%)	63,226	50,353	36,811	22,610
July 1, 2024 to June 30, 2025 (85%)	67,178	53,500	39,112	24,023
July 1, 2025 to June 30, 2026 (90%)	71,130	56,647	41,413	25,436
July 1, 2026 to June 30, 2027 (95%)	75,081	59,793	43,713	26,849

NOTE: The development charges described above shall be adjusted annually on July 1 pursuant to Section 3.16 of this By-law.

Schedule “C”

**Commercial Development Charges
\$ per Square Foot of Gross Floor Area**

Service Category	Commercial Development Charges
Water Supply	7.51
Sanitary Sewerage	12.06
Regional Roads	21.91
Total of All Charges (July 1, 2027 onward – see Section 3.18)	41.48
With Phase-Ins (see Section 3.18)	
July 1, 2023 to June 30, 2024 (80%)	33.19
July 1, 2024 to June 30, 2025 (85%)	35.26
July 1, 2025 to June 30, 2026 (90%)	37.33
July 1, 2026 to June 30, 2027 (95%)	39.41

NOTE: The development charges described above shall be adjusted annually on July 1 pursuant to Section 3.16 of this By-law.

Schedule “D”

**Institutional Development Charges
\$ per Square Foot of Gross Floor Area**

Service Category	Institutional Development Charges
Water Supply	2.03
Sanitary Sewerage	2.92
Regional Roads	16.61
Total of All Charges (July 1, 2027 onward – see Section 3.18)	21.56
With Phase-Ins (see Section 3.18)	
July 1, 2023 to June 30, 2024 (80%)	17.25
July 1, 2024 to June 30, 2025 (85%)	18.33
July 1, 2025 to June 30, 2026 (90%)	19.40
July 1, 2026 to June 30, 2027 (95%)	20.48

NOTE: The development charges described above shall be adjusted annually on July 1 pursuant to Section 3.16 of this By-law.

Schedule "E"

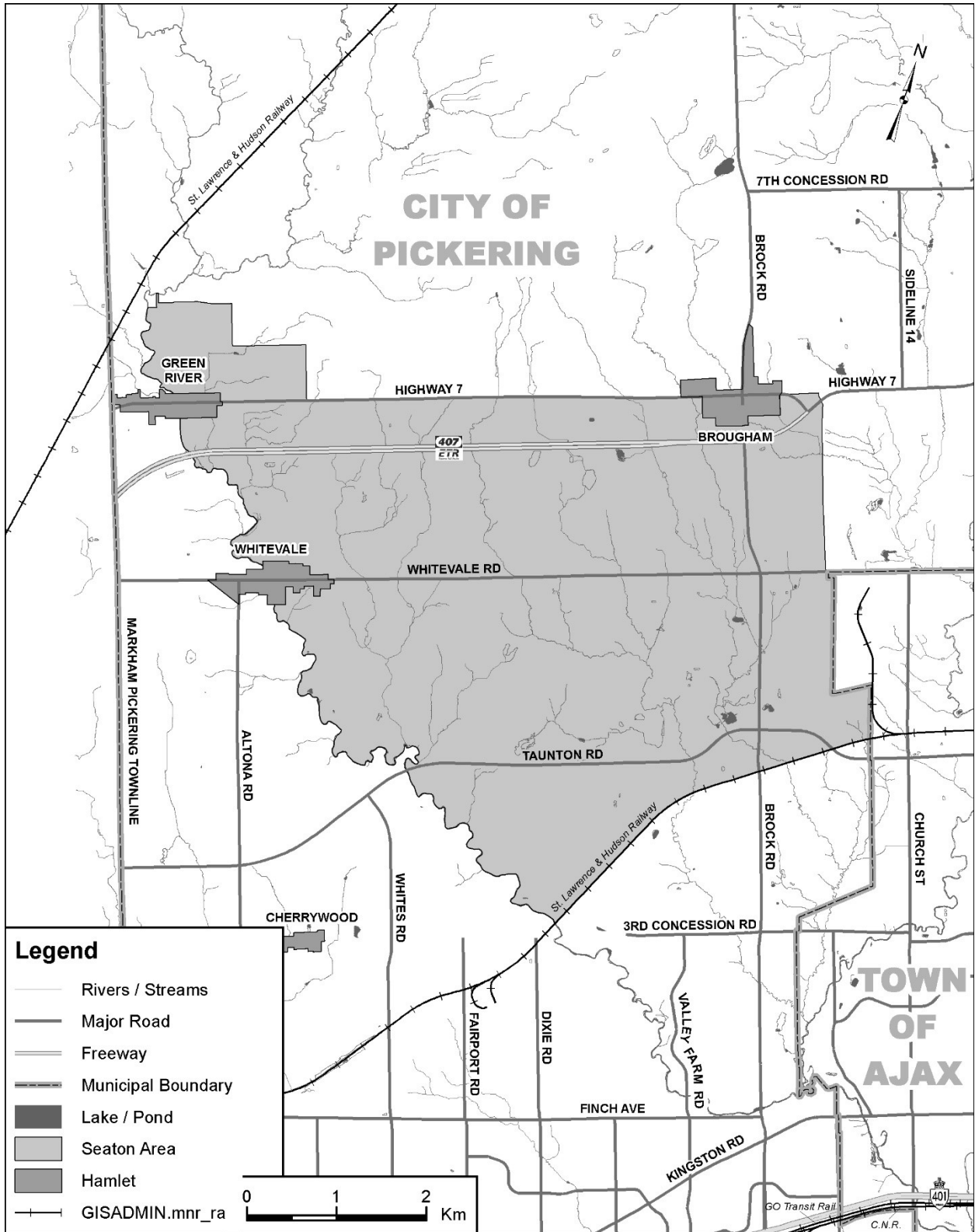
**Industrial Development Charges
\$ per Square Foot of Gross Floor Area**

SERVICE CATEGORY	INDUSTRIAL DEVELOPMENT CHARGES
Water Supply	4.86
Sanitary Sewerage	7.06
Regional Roads	7.59
Total of All Charges (July 1, 2027 onward – see Section 3.18)	19.51
With Phase-Ins (see Section 3.18)	
July 1, 2023 to June 30, 2024 (80%)	15.61
July 1, 2024 to June 30, 2025 (85%)	16.58
July 1, 2025 to June 30, 2026 (90%)	17.56
July 1, 2026 to June 30, 2027 (95%)	18.53

NOTE: The development charges described above shall be adjusted annually on July 1 pursuant to Section 3.16 of this By-law.

Schedule "F"

Seaton Community



Attachment #3

Letter to Building Industry and Land Development Association (BILD)



May 3, 2024

Building Industry and Land Development Association (BILD)
2005 Sheppard Ave. E.
Suite 102
Toronto, Ontario M2J 5B4
Attention: Paula J. Tenuta, SVP, Policy & Advocacy

**The Regional
Municipality
of Durham**

Finance Department

605 ROSSLAND ROAD EAST
PO BOX 623
WHITBY, ON L1N 6A3
CANADA

905-668-7711
1-800-372-1102
Fax: 905-666-6256

durham.ca

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

Durham Region Home Builders Association (DRHBA)
1-1255 Terwilligar Ave.
Oshawa, Ontario L1J 7A4
Attention: Stacey Hawkins

Dear Paula and Stacey:

RE: Amendment to the Regional Development Charges By-law #42-2023

As you may know, the Province released *Bill 185, Cutting Red Tape to Build More Homes Act, 2024*, on April 10, 2024 which if passed as drafted, will make changes to the *Development Charges Act, 1997* as follows:

1. Repeal the mandatory five-year phase-in of DC rates;
2. Reinstate studies as an eligible capital cost;
3. Streamlined process for extending DC By-laws; and
4. Reduced time limit on the DC freeze (from 2 years to 18 months).

To implement these changes, Bill 185 permits a unique six-month window for municipalities to undertake any minor amendments to the DC By-laws impacted by Bill 185 in a streamlined approach, eliminating the requirements for the statutory public process (i.e., no requirement for a public meeting or the completion of a background study and the amending by-law cannot be appealed to the Ontario Land Tribunal).

To prepare for these upcoming changes, staff will present a report to the Finance and Administration Committee on May 14, 2024. The report will outline recommended amendments to remove the phase-in schedules in the Regional Residential and Non-Residential Development Charges (DC) By-law #42-2023 in order to implement the full calculated rates, which will then be reviewed by Regional Council on May 29, 2024. However, the amending By-law will be presented to Regional Council for passage once Bill 185 is in effect. The full

calculated rates will come into effect five business days after Council approves the amending By-law.

Since a public meeting is not required for minor amendments under the streamlined process, delegations can only be made at the Finance and Administration Committee meeting on May 14, 2024. If you wish to make a delegation before the Finance and Administration Committee, please submit your request in writing to delegations@durham.ca by noon on Monday, May 13, 2024. Members of the public who register in advance of the meeting will be provided with the details to delegate electronically. Please note that this meeting will be held in a hybrid meeting format with electronic and in-person participation. Members of the public can also view the meeting via live streaming at www.durham.video as an alternative to attending the meeting in person.

To submit written correspondence to the Finance and Administration Committee, contact Legislative Services by email at clerks@durham.ca, or mail your comments to the Regional Clerk, Regional Municipality of Durham, 605 Rossland Road East, Whitby, ON L1N 6A3 by noon on Monday, May 13, 2024. Any late correspondence received before noon on Tuesday, May 28th, 2024 will be included in the Regional Council meeting agenda on Wednesday, May 29th, 2024.

We would be pleased to meet with you prior to and after the release of the report to discuss any concerns or questions you may have. In addition, we wanted to advise that Regional staff will be considering the addition of studies as an eligible DC cost with a potential by-law amendment in the fall of 2024. Once we have preliminary impact analysis, we will schedule a meeting to discuss.

Please contact me at 905-668-4113 ext 2301 or mary.simpson@durham.ca to let me know if you or a representative from your organization would like to meet regarding the amending by-law to be considered by the Finance and Administration Committee on May 14, 2024.

Yours truly,



Mary E. Simpson
Director of Risk Management, Economic Studies and Procurement



cc: N. Taylor, Commissioner of Finance
A. Harras, Regional Clerk / Director of Legislative Services
R. Jagannathan, Commissioner of Works
B. Bridgeman, Commissioner of Planning and Economic Development
J. Hunt, Regional Solicitor
R. Woon, Solicitor
C. Goodchild, Director of Planning
M. Hubble, Director of Environmental Services
S. Gill, Director of Economic Development
P. Gillespie, Manager, Development Approvals
C. Pattee, Development Approvals
C. Hoy, Economist
M. Campo, Economist
G. Asselin, Economist

