TORONTO

REPORT FOR ACTION

Bill 138 - Preliminary City Comments

Date: November 25, 2019
To: City Council
From: Chief Financial Officer and Treasurer and Chief Planner and Executive Director, City Planning
Wards: All

SUMMARY

On November 6, 2019, the Minister of Finance, as part of the Fall Economic Statement, released Bill 138, *Plan to Build Ontario Together Act*. Bill 138 has had first and second reading. No dates for public hearings have been set. Bill 138 proposes to amend 40 statues including amendments to the *More Homes, More Choice Act, 2019* (Bill 108), affecting the *Planning Act* and *Development Charges Act*. Bill 138 signals that the Provincial government is aware of challenges presented by the changes introduced through Bill 108 to the municipal sector and that they may be prepared to modify the legislation to address these challenges.

Bill 138 and the statutory process associated with it create an opportunity for the City to continue to provide constructive input into how the proposed changes to municipal finance and planning tools can be revised to offer workable approaches for municipalities across Ontario, while meeting the Province's stated objectives of increasing housing supply and affordability, and ensuring that growth-pays-for-growth.

Bill 138 also provides an opening to continue to advocate for a functional and orderly transition to the new Development Charge and Community Benefits Charge (CBC) regimes. This includes reinstating legislative tools that would be lost under Bill 108, such as the ability to register agreements on title that enable municipalities to secure in-kind community benefits and development charge payments that are eligible for deferrals. These tools provide security for parties in land transactions.

The City has made formal submissions to the Province on Bill 108 and related regulations through the Environmental Registry of Ontario, and engaged in ongoing discussions with Provincial staff. Bill 138 addresses two of the concerns raised by the City – enabling the continued use of the alternative parkland dedication rate (under Section 42) until the approval of the Community Benefits Charge by-law and removal of the Development Charge deferrals for industrial and commercial development.

Unfortunately, Bill 138 does not address significant areas of concern related to the fundamental structure of the proposed Community Benefits Charge that most municipalities have identified. The process of collapsing three growth-based revenue tools and replacing them with a capped percentage of land value, while severely limiting

the ability to achieve in-kind dedications, make it nearly impossible to make the new charge revenue-neutral to a municipality. Further, in the current market, a payment based on a capped value percentage is not an appropriate method to pay for the land acquisition costs of new parks, public services facilities and the construction costs associated with delivering them. As currently proposed, the Community Benefits Charge regime is likely to compromise Ontario municipalities' ability to provide and deliver community-focused infrastructure that supports residents and vibrant neighbourhoods through development-related funding.

The Province has not yet issued draft regulations, as proposed under Bill 108, that are expected to contain essential details on the new Community Benefits Charge – including a land value cap on the charge – and key pieces of the legislation have not been proclaimed. Without this information, the City is unable to assess the potential financial impacts of the legislation. The Province has indicated through its initial draft regulation on the structure of the Community Benefits authority that migration to the new regime must happen on or before January 1, 2021, after which the municipality would not be able to collect development charges for soft services or receive parkland dedications under Section 42. This date leaves less than 13 months for the City to complete a comprehensive Community Benefits Strategy, undertake meaningful consultation, prepare a by-law and achieve Council approval.

Bill 138 has also not addressed the City's concern that limiting Inclusionary Zoning (IZ) to Protected Major Transit Station Areas (PMTSAs) or to locations where the municipality has adopted a Development Permit System will result in delays in implementing IZ and creating new affordable housing. These unnecessary provincial restrictions on a municipality's ability to use Inclusionary Zoning will translate to lost opportunities to develop new affordable housing across the city and, ultimately, less affordable housing much needed by residents. The City's Inclusionary Zoning Assessment Report identifies that there are multiple geographies in Toronto, beyond the boundaries of a PMTSA, that could support IZ requiring affordable housing units in new residential developments.

In addition, Bill 138 also introduced the right of appeal to the Community Benefits Charge by-law, which was a key component of the development industry's comments on the new Community Benefits authority. The Province has indicated that the right of appeal will increase transparency regarding the charge. As is outlined in this report, the Province will set a maximum percentage of land value for the charge which municipalities will not have the legislative authority to exceed. Further, the objective of transparency can be achieved through the regulation setting out requirements, including consultation, leading to a final Council decision. Bill 138's introduction of the right of appeal could have the unintended impacts of delaying supply of new housing and the delivery of infrastructure to support growth. If a Community Benefits Charge by-law is appealed, as it most certainly is expected to be, it will create funding uncertainty arising from the appeal itself and potential length of the appeal that will affect municipal capital planning for the elements that create complete communities (e.g. child cares, libraries, community centres and parkland).

RECOMMENDATIONS

The Chief Financial Officer and Treasurer and Chief Planner and Executive Director, City Planning recommends that Council:

1. Authorize the City Manager, the Chief Financial Officer and Treasurer and other City Officials, as appropriate, to provide input to the Province on Bill 138 on policy and financial matters and any associated regulations.

2. Forward this report to the Ontario Minister of Municipal Affairs and Housing and the Minister of Finance for their consideration.

3. Request the Province to include legislative authority to register agreements on title to the land to which it applies for in-kind contributions, allowing the municipality to enforce the provision of the agreement against the owner, and any and all subsequent owners of the land.

4. Request the Province to include legislative authority to register priority lien agreements against the land to which it applies for Development Charges deferrals, allowing the municipality to enforce the provision of the agreement against the owner, and any and all subsequent owners of the land, including the requirement for adequate security.

5. Request the Province to reinstate a municipality’s authority to apply the Inclusionary Zoning provisions of the *Planning Act* more broadly than in Protected Major Transit Station and Minister ordered Development Permit System areas.

6. Request the Province to remove the provision for appeal rights of the municipality's Community Benefits Charge by-law and use the forthcoming Community Benefits Charge Regulation to provide transparency on the components and maximum value of the charge, and required consultation.

7. Request the Province to remedy the fundamental structural issues of using a land value tool to address cost recovery based services for the 'soft' Development Charges and Section 37 portions of the Community Benefits Charge by-law, and to retain separate provisions for parkland dedication under the *Planning Act*, in order to ensure revenue neutrality for municipalities.

8. Request that proclamation of amendments to the Development Charges Act occurs no sooner than the Community Benefits Charge by-law coming into full force and effect to maintain the Province's stated objectives of revenue neutrality for municipalities and that growth pays for growth.

9. Request the Province to provide for the minimum of two years from the date of the proclamation of the new Community Benefits provision in the *Planning Act* for municipalities to bring a Community Benefits Charge by-law into force.

FINANCIAL IMPACT

Based on the City's review of Bill 108 and Bill 138, the full extent of the financial impacts of the proposed amendments to the City is unclear. This is, in part, because much of the detail will be in a yet-to-be-released provincial regulation. Staff expect that ways in which payments will be determined and timed under the new charge will make cost recovery analysis more difficult.

There are several factors influencing the City's ability to fund growth-related infrastructure introduced through Bill 108 and Bill 138. The most significant of these being the advance and freeze of the determination of development charge payment obligations, deferral of development charges and related collection risk, and creation of the capped Community Benefits Charge, based on land value. The following outlines the contribution from each soon-to-be-replaced tool to the 2019-2028 Capital Budget and Plan, or to local improvements near development.

- Development Charges: About $924 million in DC funding is allocated to growth-related park and capital infrastructure projects in the City's 2019-2028 Council approved Capital Budget and Plan (excluding carry forwards). This funding supports new child-care facilities, libraries, recreational facilities and improvement to existing facilities to address demand from development activities in communities across Toronto.
- Parkland: With respect to parkland tools under the *Planning Act*, Bill 108 removes the alternative parkland dedication rate and limits the use of the parkland base rate under Section 42 (parkland) and 51 (plan of subdivision). These tools are primary funding sources for new parkland and park and recreational improvements to support development, accounting for about $369 million in Parks, Forestry and Recreation's 2019-2028 Capital Budget and Plan.
- Section 37: Existing Section 37 density/height bonus provisions in the *Planning Act* will be fully replaced once the Community Benefits Charge is enacted. Section 37 has been tied to substantial development approvals across Toronto, securing over $90 million in funding in 2018 for example, to support local improvements to over 150 community facilities and responding to increased service pressures from development with additional height and/or density permissions.

These yet-to-be proclaimed provisions of Bill 108 expose the City to revenue risk due to current rate phase-in and exemptions that could be frozen, and to financial risks associated with increased reliance on municipal debt. This risk could be further exacerbated in the event of an economic downturn. If these are proclaimed before the City has its current by-law rates phased-in by November 2020, it could cost the City well over $100 million in lost recoveries based on normal rates of permit issuance (about 15,000 per year). If the planning applications currently in the pipeline (estimated to represent about 300,000 units) are able to avail themselves of the opportunity, the impacts could last a generation.

It is anticipated that Bill 108 and Bill 138 will also impact the City with additional administration and operational burdens, which may require Council to increase property taxes and/or make decisions regarding the adjustment of city-wide service levels to fund community-oriented services, such as parkland, recreational centres, libraries, childcares, etc. and other community benefits necessary to build a livable community and traditionally supported by growth-related revenues.

Legislative changes to date are enabling in nature and do not contain the details of implementation. Staff will report further on forthcoming regulations related to implementation as more details become available. Staff will also report out as necessary on any impact on future Capital Budgets related to impacts on growth-related or other capital expenditures resulting from the enactment of Bill 108 and Bill 138.

EQUITY STATEMENT

This report provides preliminary comments on Bill 138, which could have impacts on equitable access by diverse equity-seeking communities across the city to community facilities, parks and affordable housing, arising out of fast-paced growth and intensification of the city's complex and high-intensity built environment. The report makes recommendations to mitigate impacts resulting from the proposed Provincial legislation in order to maintain and improve the liveability of the city for all citizens, to ensure continued and meaningful community engagement in the city-building process and positive local economic outcomes, and to ensure that the lead role that the city plays provincially in upholding the tenets of "good" planning practice continues.

DECISION HISTORY

This report responds to the November 6, 2019 release of Bill 138, *Plan to Build Ontario Together Act*. This current review is aligned with City Council Report CC7.3. Proposed Bill 108 (More Homes, More Choice Act, 2019) and the Housing Supply Action Plan - Preliminary City Comments. CC7.3 was adopted as amended by Toronto City Council on May 14, 2019, and highlighted the proposed changes to the Planning Act, Local Planning Appeal Tribunal Act, 2017, Ontario Heritage Act and the Development Charges Act, 1997. The report provided preliminary comments on their impact on municipal land use planning, the development approval process and heritage conservation and funding for community facilities and infrastructure. (http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.CC7.3)

In July 2019, Council adopted item CC9.7 as amended that identified the budgetary considerations related to the implementation of Bill 108, the More Homes, More Choice Act, 2019 and the measures staff are taking, both to work with the Province to ensure appropriate regulations are adopted, and to communicate to program areas what may be reasonable assumptions for 2020 budget purposes.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.CC9.7

COMMENTS

Bill 108: Update on Legislative Change and Municipal Revenue Tools

Bill 108 received Royal Assent on June 6, 2019. However, sections of the legislation, including amendments to Sections 37, 42 and 51 of the *Planning Act* and Section 2 (eligible services) and Section 26 (payable dates) of the *Development Charges Act* have not yet been proclaimed by the Province. This means that the existing tools remain in force and that the City may have the opportunity through Bill 138 to inform forthcoming legislative amendments and regulations. The City will continue to engage with the Province on issues raised with the release of Bill 108 based on the following principles:

- Growth should pay for growth;
- Vibrant "complete" communities are good for everyone;
- Municipal tools should allow for flexibility to meet the needs of local municipalities, including the opportunity to provide for both in-kind and financial contributions;
- Municipal tools must account for a range of land markets both within and across municipalities;
- Changes should be revenue neutral to municipalities and should consider revenue potential under the previous regime, not just historic revenues;
- Administrative burden should be minimized; and
- Province should allow adequate time for consultation and analysis to mitigate potential unintended consequences and facilitate an orderly transition to the new regime.

The focus of the City's comments continues to be the structure of the Community Benefits Charge authority, changes to the Development Charges regime, and enabling the City to implement Inclusionary Zoning more broadly across Toronto.

Bill 138: Revisiting Changes Introduced Through Bill 108

The introduction of Bill 138, which proposes modifications to Bill 108, appears intended to address implementation issues with the proposed Community Benefit Charge and Development Charges. This indicates some interest on the Province's behalf to improve and address some of the concerns raised by the City and other municipalities so as to deliver reasonable and workable approaches.

Proposed right of appeal for the Community Benefits Charge by-law

Bill 138 introduces new amendments to the Planning Act and Development Charges Act, permitting any person or public body to appeal the Community Benefits Charge by-law to the Local Planning Appeal Tribunal (LPAT). It sets out details regarding timing of appeal, notice, limitations of the LPAT's powers (e.g. cannot increase the CBC), and remedies available to the LPAT. The proposal also indicates that the CBC by-law would be in force the day it is passed, or specified in the by-law, whichever is later. This proposed change mirrors the provisions currently in place for Development Charge by-laws. As part of regulations to implement changes proposed through the *More Homes, More Choice Act*, the Province has suggested a transition date of January 1, 2021 to

have the Community Benefit by-law in effect. The regulation establishing this transition date has not been finalized.

Proposed right of appeal will not increase housing supply and jeopardizes municipal revenues

Allowing appeals of the Community Benefit by-law could have notable impacts on the City and its ability to adequately fund community infrastructure needed to support growth. The proposed CBC would come into force upon Council's approval, and if appealed, would remain in force during the appeal period, (which would likely be greater than one year) during which time the City could collect the CBC funds. However, should the LPAT's decision on the appeal require the amendment or repeal of the by-law, the remedy is for the City to repay the collected fee or the difference with interest back to the developer within 30 days of the LPAT decision.

The appeal system will create uncertainty about the revenues that will ultimately be retained by the City if appealed, especially since this is a new and untested charge regime. Uncertainty with regard to these revenues will constrain the City's development-related funding capacity to undertake the works that are meant to be funded through the new CBC. Staff are also not aware of how the LPAT would be able to fairly adjudicate, on a city-wide basis, what the charge should be. This is because the details about the basis for the charge are still to be determined through regulation, and its components will include a combination of predictable cost recovery items, such as childcares and community recreation centres and others, such as parkland, where the cost fluctuates.

It is our understanding that the addition of appeal rights to the CBC was a request made by the development industry. Staff question the need for appeal rights for the city-wide CBC by-law if the Community Benefits Authority, as introduced through Bill 108, already sets a maximum percentage of land value for the charge – a cap that the municipality cannot exceed. In this regard, the modifications to the CBC regime under Bill 138 could further constrain the ability of municipalities to recover the revenues required to deliver complete communities. This calls into question how this revised regime will guarantee that municipal revenues can be maintained.

Transparency can be achieved without appeal rights

The Province has indicated that the right of appeal will increase transparency regarding the charge. Staff are of the opinion that transparency can be achieved through regulation and guidelines related to the CBC background study and by-law, while Council maintains final decision-making authority. Staff are also concerned that some appeals may filed with the prospective intention of extracting a settlement from the City, particularly because appellants have the assurance, through the Bill 138 itself, that the LPAT can only decide to reduce the value of the CBC. This is not a transparent process. For appellants, an unsuccessful appeal will only result in the charge as already prescribed; however, for the municipality, the appeal will delay access to CBC funds for the infrastructure to support growth.

Transition provisions for the alternative parkland rate

Through Bill 138, the Province has addressed one of the City's main concerns related to transition – that the proclamation of changes to Sections 42 and 51 of the Planning Act not be made until the CBC by-law comes into force. Under Bill 108, transition provisions for the alternative parkland dedication rate were extremely limited and jeopardized the continuity of an important revenue stream. As written, the City's ability to secure alternative parkland requirements had been limited to developments that also had a Section 37 agreement in place (which represents approximately only 10% of developments) while the alternative parkland dedication rates applies to development across most of the City.

Development Charge deferrals for commercial and industrial developments have been reversed

Development charges for a particular development have historically been determined and collected at the issuance of building permit. Under Bill 108, the *Development Charges Act* DCA was amended to:

- "freeze" the determination of DCs for a particular development to the later of site plan application date or rezoning application date;
- Establish a "6 payments over 5 years starting at occupancy" payment plan for new rental housing commercial, industrial and institutional development; and
- Establish a "21 payments over 20 years starting at occupancy" payment plan for new non-profit housing.

Bill 138 amended Bill 108 to remove commercial, industrial and institutional development from the 5 year payment plan.

The City questioned if it would be appropriate or reasonable to provide what amounts to construction financing to all of the development types listed above, and indicated that collection uncertainty would impair municipal spending capacity, raise costs, and potentially transfer payment responsibility from developers to occupants. Through submissions to the Province, staff noted that these broad categories of beneficiaries require clear definitions in regulation to exclude high rent housing, for example, without need for other forms of public support. In the case of deferrals for commercial or industrial development charges, staff's comments emphasized that there was no linkage to the stated objectives of housing supply and affordability.

Bill 138 now proposes to remove industrial development and commercial development from the types of development for which deferral of DC payments apply. Currently the City exempts industrial development and non-ground floor commercial development, although this latter policy is under review.

Bill 138: Opportunity to Address Outstanding Challenges

The City has identified to the Province the need for a number of additional legislative changes to ensure the City and industry stakeholders have the correct tools to be able to implement the new system.

Limitations on Inclusionary Zoning should be addressed

Through Bill 108, the Province linked Inclusionary Zoning permissions to Protected Major Transit Stations and Minister ordered Development Permit System areas. Staff reported, through CC7.3, that this is anticipated to result in delays in getting an inclusionary zoning policy framework in place and creating new affordable housing due to:

- IZ policies will not be able to be adopted until policies in respect of PMTSAs are adopted and approved; and
- the establishment of a Development Permit System area is subject to a Minister's Order and also requires the completion of detailed analysis, again resulting in potential delays to the implementation of IZ.

Bill 138 has not revisited this matter, notwithstanding that it would support the Province's stated objectives in the Housing Supply Action Plan.

Development Charges regime as proposed will have an impact on municipal revenues

While Bill 108 received Royal Assent on June 6, 2019, the majority of the changes to the *Development Charges Act* have not yet been proclaimed while the Province writes the related regulations.

The *Development Charges Act* provisions introduced through Bill 108 included advancing the determination of applicable rates ('early crystallization') to the time a planning application is made to the City, rather than at the date of building permit issuance. Early crystallization can lock in DC rates for years and/or decades under the proposed regulatory limits. Through previous reports, staff have indicated that:

- Direct revenue losses would result if the changes are proclaimed before the City has an opportunity to update the Development Charges by-law and to implement a Community Benefits Charge. The City's 2018 Development Charge by-law provides for a final phase-in of rate increases on November 1, 2020. Early crystallization could also lock in exemptions that otherwise might be reduced, such as the commercial development exemption which is currently under review.

- Advancing the early crystallization date ahead of when payments are actually made to the City severs the relationship between the calculated charge and cost recovery.

The changes proposed create administrative issues, including determining what constitutes the effective date of a site plan or rezoning application, or if municipalities are able to re-set that date if there are significant changes to a development application.

Staff have raised repeatedly with the Province the City's significant concern about the revenue loss created by early crystallization. Some of the challenges related to early crystallization can be mitigated if the Province introduces limits to the validity period The City has proposed that the period over which rates are frozen should be subject to an absolute time limit such as two years.

Development Charge deferrals create a collection risk

As previously identified through CC7.3, mandatory DC deferrals introduced under Bill 108's *Development Charges Act* changes create collection risk for municipalities. Currently, development charges are paid in order to obtain a building permit. Development charges that are subject to future collection risk are not available to support project expenditures, or even borrowing to finance expenditures, and will lead to reduced or deferred growth-related capital spending. In principle, staff do not agree that the municipality should be required to defer collection in order to support development. Deferrals amount to a construction loan for the applicant, at interest rates and security not set by the market, but through regulation.

At minimum, staff recommend that the *Development Charges Act* include legislative authority to register the development charge deferral agreements on title, to require financial or other security to ensure development charges are collected, and that development charges be given priority lien status if outstanding charges are transferred onto the property tax roll due to non-payment by the original developer. If the legislation is not revised to address the challenges related to deferrals, staff suggest that, at minimum, eligible developments should be further defined to identify that affordable housing units receive the benefit, rather than any unit type.

Securing agreements on title is how the City guarantees community benefits and community infrastructure

Currently, the delivery of in-kind, deferred payments or other services or benefits under the Planning Act's Section 37 or Section 42 is secured by the City through registering an agreement on title. These agreements are binding on future owners and allow the municipality to enforce the provisions of the agreement against the owner subject to the provisions of the *Registry Act* and *Land Titles Act*. Section 37 agreements also provide assurance to the public that the outcomes of the planning process will be delivered to support local improvements. The range of items Section 37 agreements are used to secure is outlined in the Official Plan and may include affordable housing (including the affordability period in years), non-profit childcare (including the non-profit operating period in years), parkland, privately-owned, publicly accessible spaces, and a wide range of other matters. Bill 108 removed this crucial legislative tool and has not replaced it with a similar mechanism. This is a matter of concern for both the City and development industry as there is a mutual benefit to having these agreements in place.

A Community Benefits Charge may work if it is restructured

Staff have been consistent in the message that a percentage of land value is not an appropriate way to pay for community infrastructure. The 'soft' development charge and contributions under Section 37 are different from parkland contributions, and they should be treated as such. It is reasonable to link land value to parkland acquisition, as the intention is to use that source of revenue to purchase land. By contrast, facility construction has no connection to land value, other than the land acquisition, if required. Further, land values vary widely across Toronto and Ontario, whereas the capital costs of construction do not.

An amendment to Bill 108 through Bill 138 could provide for the recovery of costs for 'soft' development charges and Section 37 benefits on a gross floor area or per unit basis rather than a land value basis. Tying these fees to land values causes increased uncertainty and presents difficulty in creating a nexus between cost recovery and charge value. Certainty can be provided, similar to the existing development charges regime, with publicly posted rates, that are developed through a background study and implemented by by-law. This would also be beneficial to the development industry. A per-unit or floor area rate is more predictable than fluctuating land values. It provides developers with control and certainty over the amount they will be required to contribute based on the size of the building they construct.

Revenue neutrality cannot be maintained if municipalities are not able to require in-kind parkland dedications

Municipalities' ability to require parkland dedication as a condition of redevelopment is an important tool that currently exists under Section 42 and is fundamental to good land use planning. This aligns the delivery of parkland with new development. It also provides the City with "clean land" with a Record of Site Condition. Under the Community Benefits Charge, payments based on a capped percentage of land value will not reflect the actual costs associated with acquiring and developing a park. These costs may include demolition, site remediation, design and construction, and price escalation. The CBC payment provided to the City will only be based on the value of the land that would otherwise be conveyed to the City at the time payment obligation is determined. When land values are increasing, CBC payments will lose purchasing power the day they are received by the City and will not reflect escalating land costs.

Transition dates are too soon for migration to an entirely new system of municipal finance

The proposed dates for migration to the Community Benefits Charge regime are too short. The Province’s proposed January 1, 2021 date to have in place an entirely new revenue tool with all of the supporting background studies, and a new municipal implementation framework in place is not realistic. The proposed changes are complex, and municipalities are still awaiting draft regulations related to their implementation.

In the City of Toronto, with the pace and complexity of growth, infrastructure and community building, the transition from the existing regime to the new Community Benefits Charge must provide for a financially seamless flow. Bill 138 does not address the issues related to the transition of the development charges regime changes as it did for the alternative parkland dedication rate. In eight submarkets tracked in Toronto for high rise condominium development, average land prices rose 84% over three years (from Spring 2016 to Spring 2019). If there is an interruption in the ability to recoup the costs needed to service growth, particularly as land values escalate, municipalities will be at a financial disadvantage as growth-related revenues are critical to the City's capital program and to maintaining related service quality.

There will be financial shortfalls if there are gaps between when soft development charges are removed from the eligible services in the Development Charges Act, and the Community Benefits Regime is in force. To address this, the City recommends, at minimum, that the Province provide two years from the proclamation of the Community Benefits authority for a municipality to enact a Community Benefits Charge by-law, which could set out that transition to the CBC will be the later of two years from the enactment of the regulations or expiry of the current development charges bylaw (e.g. for Toronto, it would be November 1, 2023).

CONCLUSION

Bill 138 presents municipalities with the opportunity to continue to constructively engage with the Province on significant legislative changes. The City of Toronto has been consistent in its commentary about the shortcomings of the proposals under both Bill 108 and Bill 138, providing workable alternatives that will allow the Province to meet its stated objectives of increasing housing supply and making housing more affordable. As the City and other Ontario municipalities await the release of draft regulations related to proposed CBC’s land value caps methodology, staff continue to engage with provincial staff to present alternatives to the structures proposed through Bill 108 that remain unaddressed in Bill 138. If these matters are not dealt with this legislative change could result in new development having fewer community-oriented services to support residents. It may also result in an overall rollback of service levels across existing communities as non-development-related funding is used to address shortfalls triggered by a loss of revenue relative to growth.

The comments in this report highlight opportunities to make amendments to Bill 138 that will allow the City to meet its obligations under the Provincial Policy Statement to plan for strong, sustainable and resilient communities. The proposed amendments will also enable the City to plan for complete communities, as required by the Provincial Policy Statement and the Growth Plan for the Greater Golden Horseshoe 2019, which was enacted by the current Provincial government.

This report been prepared jointly by the Corporate Finance, City Planning, Parks, Forestry and Recreation, Legal Services and other divisional partners impacted by changes introduced by Bill 108 and Bill 138.

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