

City Council**Motion without Notice**

MM14.18	ACTION			Ward: All
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Re-opening of MM13.27 Response to Proclamation of Development Charges Act changes effective January 1, 2020 - by Councillor Gary Crawford, seconded by Councillor Brad Bradford

** This Motion has been deemed urgent by the Chair.*

** This Motion is subject to a re-opening of Item MM13.27. A two-thirds vote is required to re-open that Item. If re-opened, the previous Council decision remains in force unless Council decides otherwise.*

Recommendations

Councillor Gary Crawford, seconded by Councillor Brad Bradford, recommends that:

1. City Council amend MM13.27 by deleting and replacing Part 2. a.i. and ii. with the following:

a. in order to support revenue neutrality during the City's development charges rate phase-in period, as permitted under Section 26.2 (3) of the Development Charges Act, City Council authorize the Chief Financial Officer and Treasurer to apply interest charges to the "frozen" development charges payable for Site Plan and Rezoning Applications received on or after January 1, 2020 and before November 1, 2020, for building permits issued before November 1, 2021:

i. at a rate of 1.5 percent for each complete 30 day period from the date an applicable Site Plan Application or Rezoning Bylaw Amendment is received, until the date of building permit issuance; and

ii. limited so that the total amount of interest payable when combined with the development charges payable does not exceed the development charges in effect under the City's bylaw at the date of building permit issuance.

2. City Council direct the Chief Financial Officer and Treasurer to report back with any recommended modifications to the interest rates or development charges policies once there is an opportunity to more fully assess the impacts of Bill 108 Development Charges Act changes and options, including the interest rates applicable to rental, institutional and non-profit housing that are subject to the mandatory development charge deferral and five and 20 year installment payments, now that regulations setting out the definitions have been released.

Summary

City Council adopted MM13.27, entitled "Response to Proclamation of Development Charges Act changes effective January 1, 2020" at its meeting held on December 17 and 18, 2019. In doing so, Council authorized interim actions to help manage the transition to the new Act and help preserve revenue neutrality of the changes, particularly during the City's development charges rate phase-in period.

Following passage of MM13.27, there have been requests to clarify how the interest rates are calculated for the "frozen" development charges rates and for how long these interest rates would apply. This Motion seeks to more clearly explain to the affected parties the interim interest rate policies.

In addition, the Province of Ontario released regulations on December 19, 2019 that provides definitions for rental, institutional and non-profit housing that are subject to the mandatory deferral to occupancy and five to 20 year installment payment. Staff would undertake to report back with further changes to the interest rate or related development charges policies once there is an opportunity to more fully assess the impact and options.

This Motion is urgent to ensure that applicants understand the new policy.

REQUIRES RE-OPENING:

Member Motion Item MM13.27, entitled "Response to Proclamation of Development Charges Act changes effective January 1, 2020", as adopted by City Council on December 17 and 18, 2019, only as it relates to Part 2.a.i and ii. of City Council's decision.

Background Information (City Council)

Member Motion MM14.18