



# Staff Report

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## Finance

**Report To:** COW-Finance, Admin, Fire, Legal, Community Services  
**Meeting Date:** September 11, 2023  
**Report Number:** FAF.23.121  
**Title:** Development Charges By-law Update – Credits and Exemptions  
**Prepared by:** Sam Dinsmore, Acting Director of Finance / Treasurer

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### A. Recommendations

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THAT Council receive Staff Report FAF.23.121, entitled “Development Charges By-law Update – Credits and Exemptions”;

AND THAT Council endorse the removal of all non-statutory credits and exemptions from the Town’s Development Charge By-law with the intent of including the credits and exemptions in future revisions of the Town’s Community Improvement Plan at the discretion of Council.

### B. Overview

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This report is seeking Council’s endorsement to remove all non-statutory credits and exemptions for the Town’s upcoming Development Charges (DC) By-law and include, if still relevant, those programs in the Town’s next revision of the Community Improvement Plan (CIP).

### C. Background

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The Town will be updating the DC By-law and Background Study (DCBS) in April 2024 and part of the by-law will be the non-statutory credits and exemptions offered by the Town. Given the impacts from Bill 23, some of the credits and exemptions offered in the current by-law have become irrelevant, or potentially will become irrelevant with future regulations.

Staff are recommending that all non-statutory credits and exemptions be removed from the Town’s 2024 DC By-law and be included for consideration in the next CIP update.

### D. Analysis

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Below is a list of non-statutory credits and exemptions that staff are recommending be removed for the updated DC By-law:

- Land, building or structures for agricultural use which do not receive municipal sanitary sewer or water supply services – given 15 times since 2019;

- **Accessory apartments (exempt through Bill 23) – not used under the current by-law;**
- Non-residential developments smaller than 232 m<sup>2</sup> – not used under the current by-law;
- Fire DC if a sprinkler system was installed but not required under the Ontario Building Code – not used under the current by-law;
- Reduction of DCs from “Single/semi” category to “Other Multiples/Hotels” if the new unit is less than 115m<sup>2</sup> – not used under the current by-law.

The purpose of this report is not to discuss the merits of any credit or exemption, but rather to get Council’s endorsement on removing them from the DC By-law. In turn, consideration will be given to moving these types of credits and exemptions to the CIP which is a best practice and more transparent as each request will be brought forward to Council through the CIP program. Upon initial review of the list, the exemption that has the most suitability for inclusion within the CIP program is the land, building or structures for agricultural use which do not receive municipal sanitary sewer or water supply services.

With DC by-laws now moving to ten-year life spans, a CIP is a more flexible and appropriate place for all non-statutory credits and exemptions and is not hindered by the rigidity of the DC process and vulnerability of an appeal.

## **E. Strategic Priorities**

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### **1. Communication and Engagement**

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

### **2. Organizational Excellence**

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

## **F. Environmental Impacts**

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None.

## **G. Financial Impacts**

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Bill 23 will continue to have a significant impact on the Town’s DC collection; this impact will only increase as further regulations are brought in by the province. Current given DC credits and exemptions under Bill 23 include:

- Five-year phase in of new DCs, starting at 20% reduction in Year 1 and down to 0% in Year 5;
- Excluding the cost of studies;
- Discount for purpose-built rental units that increase with the number of units.

Future DC credits and exemptions that are awaiting regulations under Bill 23:

- Attainable Housing exemption for both ownership and purpose-built rental units.

DCs are an important funding tool for the Town, especially now given the number of growth-related projects that are required over the next three to five years. The 2023 budget included \$44.2M in DC funding being used for these projects as well as funding long-term debt.

Given the impacts from Bill 23, the Town will need to maximize to the fullest extent possible DC collections to ensure that these required growth projects are not delayed and/or are not funded by current residents.

## **H. In Consultation With**

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Adam Smith, Director of Planning and Development Services  
Hemson Consulting Ltd.

## **I. Public Engagement**

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The topic of this Staff Report will be the subject of a Public Meeting and Public Information Centre which will take place in quarter one of 2024. Those who provided comments at the Public Meeting and/or Public Information Centre, including anyone who has asked to receive notice regarding this matter, will be provided notice of any Staff Report(s).

Any comments regarding this report should be submitted to Sam Dinsmore, Acting Director of Finance / Treasurer [directorfit@thebluemountains.ca](mailto:directorfit@thebluemountains.ca).

## **J. Attached**

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None.

Respectfully submitted,

Sam Dinsmore  
Acting Director of Finance / Treasurer

For more information, please contact:  
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**Report Approval Details**

Document Title:	FAF.23.121 Development Charges By-law Update - Credits and Exemptions.docx
Attachments:	
Final Approval Date:	Aug 24, 2023

This report and all of its attachments were approved and signed as outlined below:

**Sam Dinsmore - Aug 23, 2023 - 11:12 AM**

**No Signature found**

**Shawn Everitt - Aug 24, 2023 - 8:12 AM**