



October 29, 2021

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**RE: York Region staff comments in response to proposed changes to the
Development Charges Act, 1997 and regulatory framework**

Please accept this letter as York Region staff's submission on the proposed changes to the *Development Charges Act, 1997* ("Act") related to Schedule 7 of Bill 13, [Supporting People and Businesses Act, 2021](#), (ORR [#21-MMAH028](#)), and the proposed regulatory framework related to Ontario Regulation 192/07 (ORR [#21-MMAH023](#)).

Regional Council was advised of the proposed changes by way of an October 12, 2021 [memorandum](#) from the Acting Commissioner of Finance. The October 12, 2021, memorandum was followed up with a [subsequent memorandum](#), received by Council on October 28, 2021. Regional Council also endorsed a resolution from the York Region Rapid Transit Corporation Board thanking the Province for the proposed changes to the Act and requesting the Yonge North Subway Extension ("YNSE") be exempted from the freezing provisions under the Act.

Should Regional Council have any additional comments, staff will forward them to the Province.

Proposed changes to the Act, treating the YNSE as a discrete service with a 20-year planning horizon are supported

Since the signing of the the "[Ontario-York Region Transit Partnership Preliminary Agreement](#)" on May 28, 2020, Regional staff worked collaboratively with the Province to better understand the legislative changes required to help the Region fund and finance the YNSE. This work included the establishment of working groups involving staff from the Region, and Ministries of Finance, Transportation, Infrastructure, and Municipal Affairs and Housing.

In March 2021, Regional Council subsequently adopted a [resolution](#) requesting legislative changes that included treating the YNSE as a discrete service that is not subject to a 10-year planning horizon.

Bill 13, *Supporting People and Businesses Act, 2021* (“Bill 13”) proposes amendments to the Act which, if passed, would treat the YNSE as a discrete service, extending the planning horizon from 10 to 20 years with a forward-looking planned level of service.

Staff are supportive of these changes as they reflect Council’s previous request and are largely similar to the approach taken for the Toronto-York Spadina Subway Extension (TYSSE).

Regional Council previously requested that the Province exempt the YNSE from the freezing provisions under the Act

Staff note that Bill 13 does not address Council’s request to repeal, or exempt the YNSE from, the freezing of development charges rates at application for site plan or zoning bylaw amendment (section 26.2 of the Act).

Exempting the YNSE from the freezing provisions in the Act would address cost recovery challenges and ensure that development benefitting from the project contributes to their fair share of the costs.

Additional changes to the proposed regulatory framework are recommended

Ontario Regulatory Registry posting #21-MMAH023 proposes changes to Ontario Regulation 192/07, in support of the proposed amendments to the Act. While staff are generally supportive of the proposed regulatory framework, a few changes are recommended. Appendix 1 to this response summarizes those recommended changes and their rationale.

The proposed changes should come into effect as soon as possible

The Region is currently undertaking the process to update its Development Charges Bylaw, which will include the YNSE for the first time. Staff expect to table the 2022 Development Charges Bylaw and supporting Background Study on February 3, 2022.

Due to this timing, and the need to adequately consult the Region’s partners in the development industry, it is strongly recommended that the changes to the Act and associated regulations take effect as soon as possible.

York Region and York Region Rapid Transit Corporation staff are grateful for the partnership and collaborative approach taken by provincial staff from the Ministries of Finance, Transportation, Infrastructure, and Municipal Affairs and Housing. For questions regarding any of the above, please contact me at Jason.Li@york.ca.

With thanks,

A handwritten signature in blue ink, appearing to read "Jason Li".

Jason Li, CPA, CA
Acting Commissioner of Finance and Regional Treasurer
The Regional Municipality of York

DRAFT

Appendix 1

Staff Recommended Changes to the Regulatory Framework

Section and Current Wording*	Recommended Change	Rationale
2. Definition of Yonge North Subway Extension	<ul style="list-style-type: none"> • Add to paragraph (b) – “parking structures” 	<ul style="list-style-type: none"> • Reflects the need for transit supportive infrastructure on a high-density corridor which may require elevated commuter parking in addition to “parking lots” around subway stations • Including this additional wording helps: <ul style="list-style-type: none"> ○ provide greater transparency ○ ensure ‘growth pays for growth’
4(b). Background studies “development during the 20-year period that follows the completion of the background study”	<ul style="list-style-type: none"> • Strike current wording and replace with: “development during a maximum 20-year period that follows the completion of the background study” 	<ul style="list-style-type: none"> • Previous wording implies a requirement to always use a 20-year period which may not be needed /may be impractical in later development charges bylaws
4(c). Background studies “development during the 20-year period after the 20-year period mentioned in clause (b)”	<ul style="list-style-type: none"> • Strike current wording and replace with: “development after the period mentioned in clause (b)” 	<ul style="list-style-type: none"> • Previous wording implies a 40-year forecast would be required • Revised wording better aligns with TYSSE treatment
5. Reserve fund records	<ul style="list-style-type: none"> • Strike section 5(1) and (2) 	<ul style="list-style-type: none"> • Given sections 33-35 of the Act, this section is unnecessary

*Note: Current wording as applicable