

Bill 46 – Housing Statutes (Development Financing) Amendment Act, 2023

What does Bill 46 do?

- Expands the infrastructure categories Development Cost Charges (DCCs) and Development Cost Levy (DCLs) can be collected for.
- Establishes a new Amenity Cost Charge (ACC) tool for municipalities to use to collect monetary and in-kind contributions for amenities.

What new infrastructure can DCCs and DCLs be used for?

- Fire protection services, police facilities, solid waste and recycling facilities, and provincial highway infrastructure projects where there is a cost-sharing arrangement between the municipality and the Province.

How does the new ACC work?

- Municipalities may impose charges on new development to pay for capital costs of community amenities (ie. community centres, recreation centres, libraries, day care facility, or public square).
- May be set on a per lot, per unit, or per square metre of floor space in development and be similar for all developments that are expected to result in similar increases in population. May vary by zones, use, size.
- To implement, local governments will need to:
 - Identify areas where more housing supply is planned (based on OCPs and planning documents) and what amenities are needed to support that supply. **ACCs apply to new developments in those areas.**
 - Determine ACC amounts following rules set out in legislation.
 - Consult on the development of the amenities and charge rates. One or more opportunities for public consultation required during the development of an ACC bylaw
 - Undertake land economic analysis to see if ACCs will deter development or discourage the construction of reasonably priced housing or the provision of reasonably priced serviced land.
 - Pass a bylaw that implements the charges.
- Local governments can waive or reduce charges for affordable rental housing. The province can also exempt types of affordable housing from ACCs.
- ACCs come with checks and balances, such as:
 - Charges can only be imposed on development that results in growth and benefits from the amenities
 - Charges are restricted to **one-time** capital costs, which **must be shared between existing and new users**. Developers only pay portion to new users (increase of population of residents and workers). **Not payable if no increase in resident or worker population is expected from the development.**
 - Rules about how the charges may be spent and be reported on
 - Rules to prevent double charging for capital costs for which DCCs are imposed for. It is also **not payable for any class of affordable housing** prescribed in legislation.
 - Authority for the province to adjust, limit, prescribe methods or additional analysis for the charge.
 - Report annually on ACC collection, expenditures and balance before June 30 of each year

What's next?

- DCC and DCL changes can be implemented once local governments update or implement a new bylaw
- The ACC framework would generally come into force following royal assent.
- Guidance to support implementation on the proposed changes will be provided and the province will monitor the implementation as part of ensuring intended outcomes are met.