



County Development Charges

Overview of Policy Recommendations and Discussion Items
from the November 15th DC Steering Committee Meeting

This presentation contains an overview of the key policy recommendations and discussion items outlined in the minutes from the DC Steering Committee meeting held on November 15, 2021

Policy Recommendations

- ▶ DC Steering Committee met on November 15, 2021
- ▶ Following a presentation from Hemson, the DC Steering Committee recommended that Council adopt DC By-laws 5127-22 and 5128-22 subject to the following:
 - Full implementation of residential development charges effective January 1, 2022
 - Apply development charges to all non-residential development phased-in over a period of time effective January 1, 2022
 - Continue with approved deferral and conditional development charge exemptions
 - Allow for mixed-use deferrals and conditional exemptions for the residential portion as long as a portion of the build is purpose built rental housing
 - Semi-detached homes remain with single detached homes
 - Grey Gables remain excluded from the Background Study and staff work with Hemson to prepare a consolidated version of the Background Study effective December 31, 2021

Residential DC Rates

- ▶ The following are the residential Development Charge Rates that Hemson has calculated which the DC Steering Committee recommends be fully implemented effective January 1, 2022 and to keep semi-detached units grouped with single detached units:

| Charge per Unit | |
|------------------------|---------|
| Singles/Semis | \$8,968 |
| Rows & Other Multiples | \$6,192 |
| Apartments | \$5,157 |

Non-Residential DC Considerations

- ▶ Most County governments that have a DC impose at least a charge on commercial development
- ▶ Industrial development sometimes exempt as an economic development incentive

| County | Non-Res DCs? | Industrial DCs? |
|--------------|--------------|-----------------|
| Simcoe | Yes | Yes |
| Middlesex | Yes | Yes |
| Peterborough | Yes | No |
| Oxford | Yes | No |
| Dufferin | Yes | Yes |
| Wellington | Yes | Yes |

| Estimated Revenue Shortfall if Non-Residential Charges Exempted (per year) | |
|--|------------------|
| Non-Residential | |
| Commercial | \$513,000 |
| Industrial | \$228,000 |
| Rural | \$50,000 |
| Total Non-Residential | \$791,000 |

Development Charge Rates

- ▶ The following are the non-residential Development Charge Rates that Hemson has calculated which the DC Steering Committee recommends be phased-in over a period of time effective on January 1, 2022:

| Charge per Sq.M. |
|------------------|
| \$31.28 |

- ▶ Phase-in Options

- **0% in 2022, 25% in 2023, 50% in 2024, 75% in 2025, and 100% in 2026 (staff recommended)**
- 0% in 2022, 50% in 2023, and 100% in 2024, 2025 and 2026
- 25% in 2022, 50% in 2023, 75% in 2024, 100% in 2025 and 2026
- 50% in 2022, 100% in 2023, 2024, 2025 and 2026

Continue 2020 DC Exemptions

- ▶ DC Steering Committee recommended that the 2020 DC Deferral and Conditional Exemptions be continued.
 1. Purpose built rental housing (conditionally exempt)
 2. Non-profit housing (exempt)
 3. Additional dwelling units/secondary units (aligned with DC Act)
 4. Redevelopment credits for non-res to res conversions
 5. Approved CIP projects (conditionally exempt)

- ▶ Staff would continue to monitor the vacancy rates and if the vacancy rates return to healthy levels then the conditional exemptions could be reconsidered

Other Changes/Policy Direction

- ▶ DC Steering Committee recommended the other following changes/policy directions:
 1. Allow for mixed-use deferrals and conditional exemptions for the residential portion associated with purpose built rental housing
 2. Grey Gables remain excluded from the Background Study.
 - If reintroduced there would be no change to DC rates (already maximizing eligible DC charges based on maximize funding envelope). DC Capital program must also reflect Council's intentions. There are legal considerations regarding updating the DC Background Study within the required 60-day review period prior to Council passing the DC By-laws.
 - If Council decides to move forward with the Grey Gables redevelopment project in the future, the DC By-law can be amended within one year of the DC Background Study. Following the initial year, the DC By-law can also be amended but would require a scoped DC Background Study update. Both paths require a public meeting.
 3. That staff work with Hemson to prepare a consolidated version of the Background Study effective December 31, 2021
 - Following further discussion with Hemson and Legal, recommend that the words 'effective December 31, 2021' be removed to be consistent with the intent of the DC Act

Staff Recommended Revisions

- ▶ The following amendments are recommended by staff to the motion approved by the DC Steering Committee:
 1. That the second bullet point be updated to reflect a phased-in approach for non-residential development charges with 0% in 2022, 25% in 2023, 50% in 2024, 75% in 2025 and 100% in 2026.
 2. Remove 'effective December 31, 2021' from the last bullet.

Next Steps

- ▶ Staff will work with Hemson to make the changes to the DC By-laws as directed by Council today.
- ▶ Final draft DC By-laws will come forward to the December 9th Council meeting for consideration
- ▶ Once DC By-laws approved, notice of the passing will be provided in accordance with the DC Act.
- ▶ Hemson will prepare a consolidated version of the DC Background Study update, however the effective date for the DC Background Study would remain as October 8th in order to maintain the intent of the DC Act
- ▶ Staff will work with Hemson to complete a Local Servicing Guideline following approval of the DC By-laws.
 - Local services are not funded through DC's (these are capital improvements directly associated with a specific development proposal) and can be approved independent of the DC Study.