

Steering Committee Presentation

Development Charges

Background Study and By-law



Discussion Topics

- Background
 - What are Development Charges?
 - Legislation & Recent Amendments
- Development Charges in Grey County
- Development Charges Rate Comparison
- Proposed Work Plan

What Are Development Charges?

- Charges imposed on development to fund “growth-related” capital costs
- Pays for new infrastructure and facilities to maintain service levels
 - County
 - Area municipal
 - Education
- Principle is “growth pays for growth”

Development Charges Just One Tool Given to Municipalities to Fund Capital

Development Charges/Community Benefits Charges/Parkland Fees

- Fund a share of broader cost to expand infrastructure to service needs arising from new development

Direct Developer Contributions

- Fund costs that would normally be required as part of a subdivision agreement (i.e. internal roads, sidewalks, streetlights, intersections, park elements)

Property Taxes

- Statutory and non-statutory reductions on DCs
- Long-term repair and replacement of municipal infrastructure (as well as operating costs)

New Framework for “Growth-Related” Capital



Development Charges Act (DCs)

- Used to fund initial round of capital infrastructure
- Prescribed list of eligible services
- Certain “soft” services removed from list (e.g. parking, cemeteries, airports)
- No eligible services subject to 10% discount



Planning Act: Community Benefits Charges (CBCs)

- Initial round of capital, can overlap with DCs
- In-kind contributions permitted
- Capped at 4% of land value
- Imposed only on development with 5 or more storeys & 10 or more housing units
- Only local municipalities can charge



Planning Act: Parkland Acquisition

- Parkland acquisition
- Standard rate of 5% for residential and 2% for non-residential
- Alternative, higher rate may apply based on units/ha
- Cash In Lieu permitted

All tools are appealable to LPAT (with conditions)

Development Charges Act Requirements (DCs)

- DCs imposed by by-law
- Maximum life of a DC by-law is 5 years after the day it comes into force (County's by-laws expire January 1, 2022)
- Prior to passing a by-law municipality must
 - undertake a background study
 - hold at least one public meeting
- Appeals adjudicated at LPAT

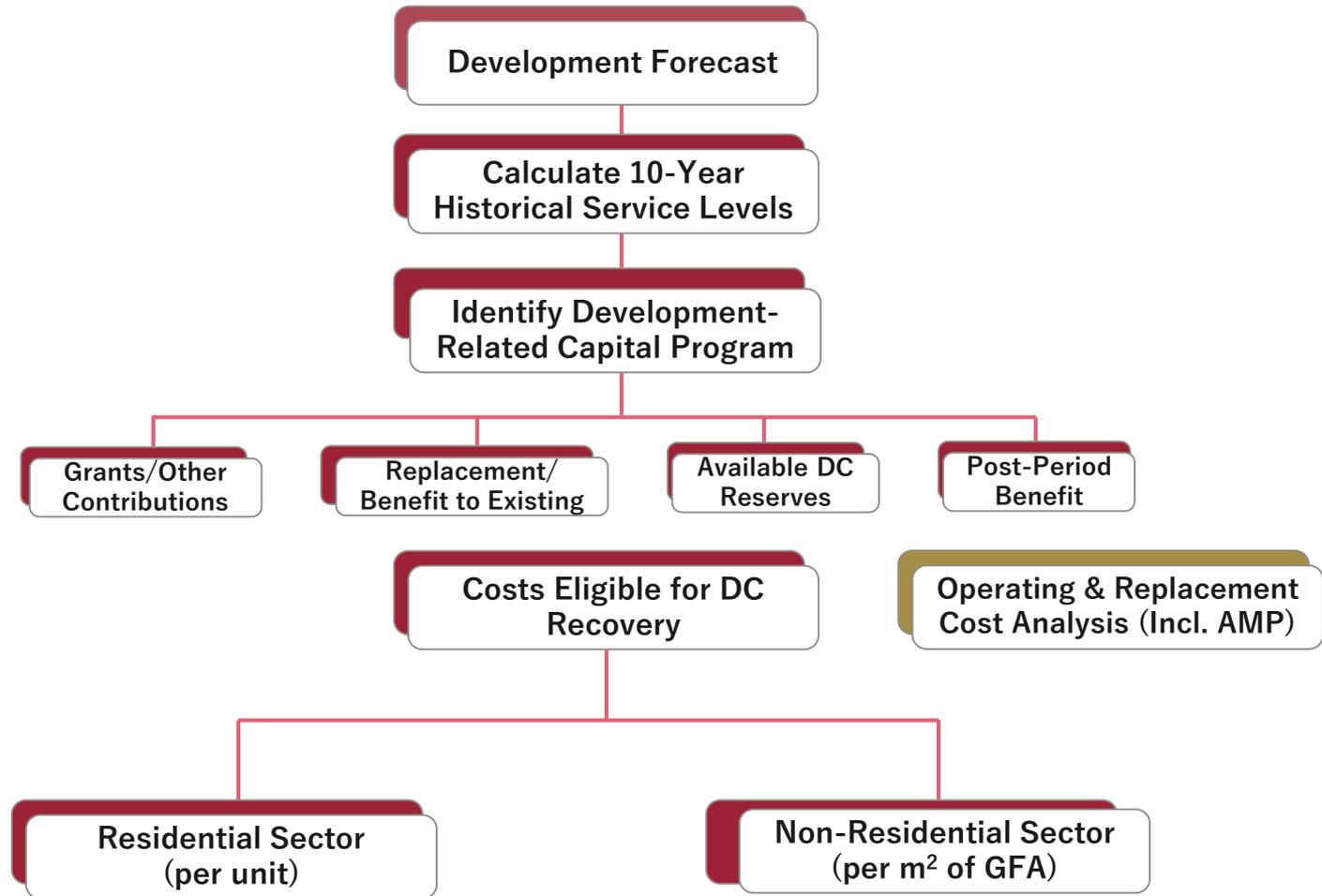


Services Applicable in Grey

County By-laws	Area Municipal By-laws	Not Applicable in Grey
Services related to a highway	Water supply services, including distribution and treatment services	Electrical power services
Ambulance services	Waste water services, including sewers and treatment services	Toronto-York subway extension
Services related to long-term care	Storm water drainage and control services	Services related to airports, but only in the Regional Municipality of Waterloo
Services related to public health	Services related to a highway	Services related to emergency preparedness
Child care and early years programs and services within the meaning of Part VI of the <i>Child Care and Early Years Act, 2014</i> and any related services	Parks and recreation services, but not the acquisition of land for parks	
Housing services	Services provided by a board within the meaning of the <i>Public Libraries Act</i>	
Services related to proceedings under the <i>Provincial Offences Act</i> , including by-law enforcement services and municipally administered court services	Policing services	
Parks and recreation services (County Forest and CP Rail Trail), but not the acquisition of land for parks	Fire protection services	
Transit services	Transit services	
	Waste diversion services	

Note: A DC by-law may provide for a class of service comprising studies for the above.

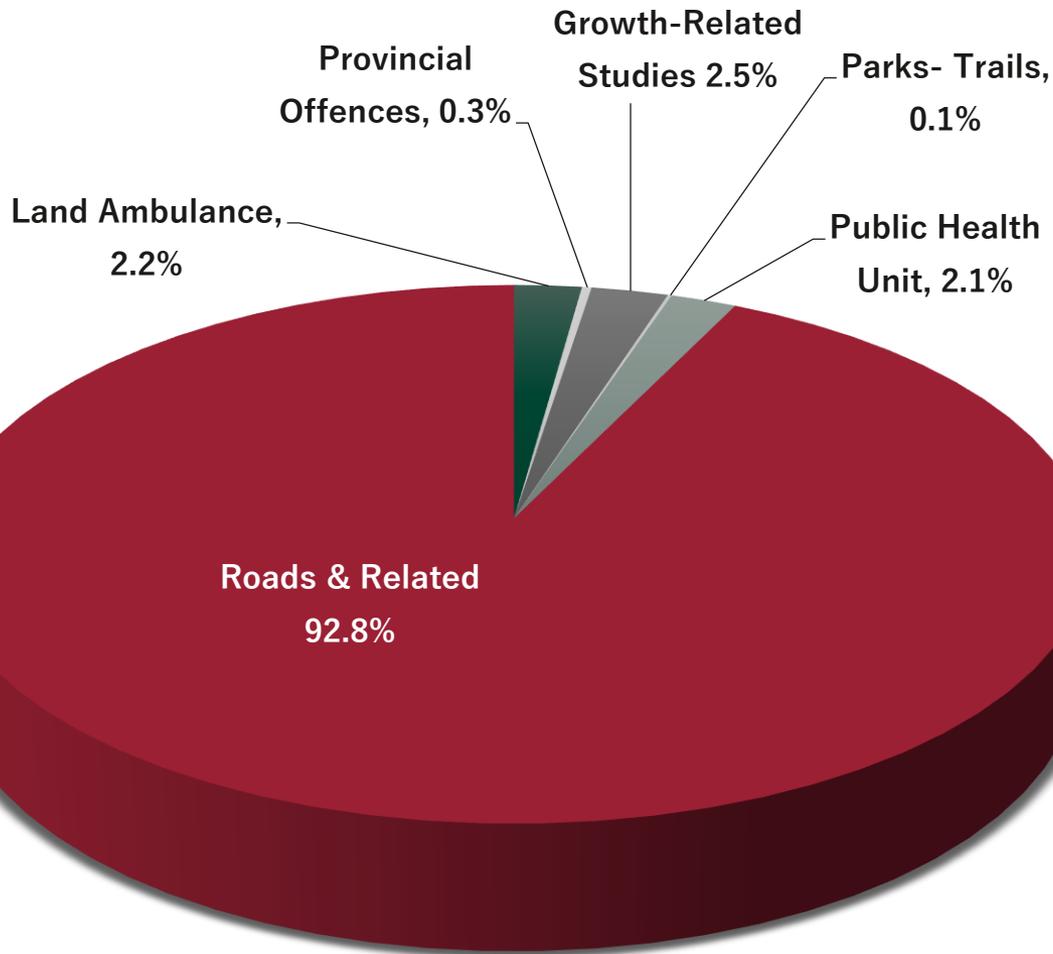
DC Background Study Process



Background Study Must “Consider” Area Rating

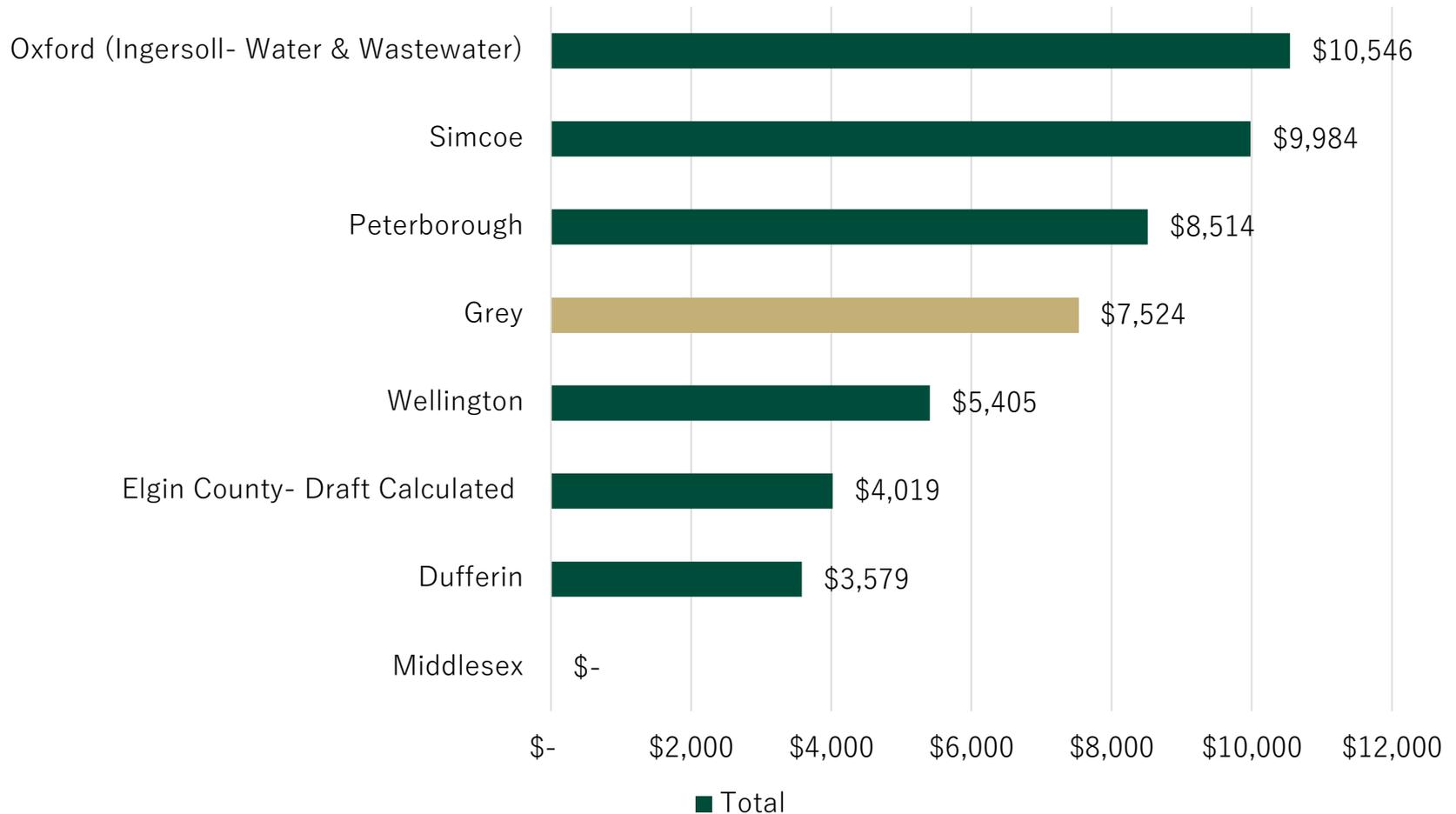
- Study shall include:
 - “consideration of the use of more than one development charge by-law to reflect different needs for services in different areas;” (s. 10 (2)c.1)
- What you should address
 - Are any services suitable for area-specific charges?
 - How and when are you going to give “consideration”?

What Do Residential DCs Fund in Grey County?

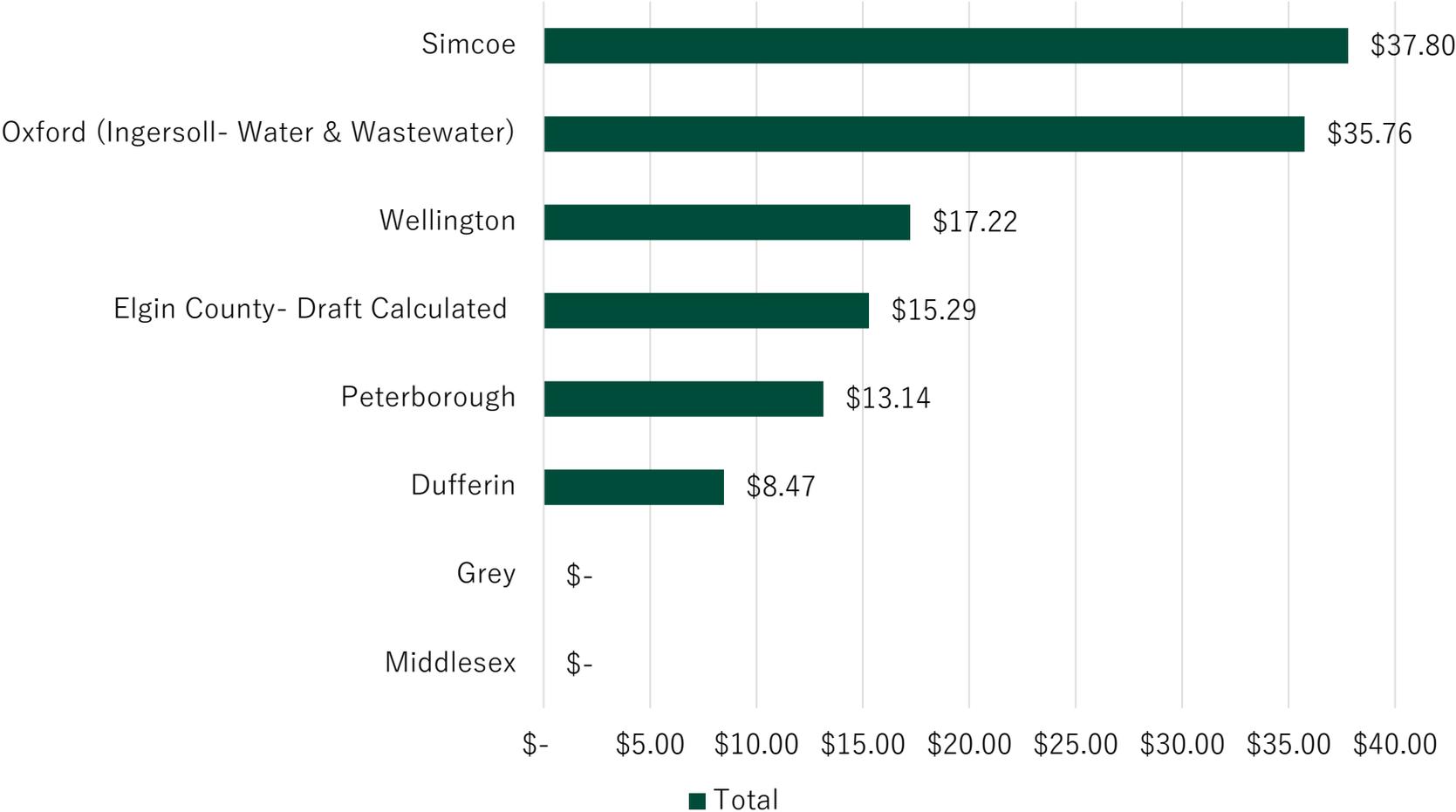


Residential Development Charges	
Singles & Semis	\$7,524
Rows & Other Multiples	\$5,239
Apartments	\$4,447
Wind Turbine	\$2,686

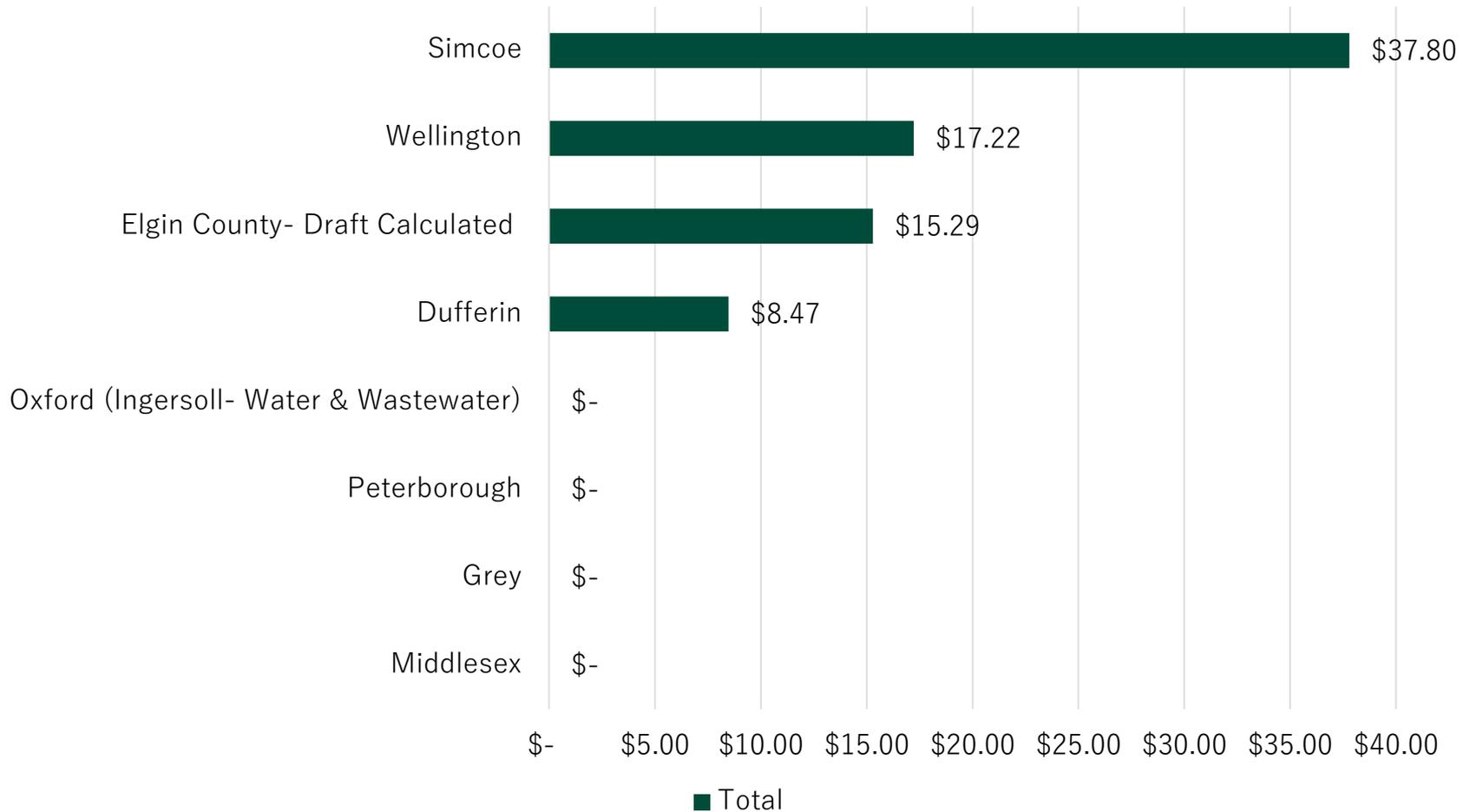
Rate Comparison Residential (\$/Single Detached Units)



Rate Comparison- Commercial(\$/Sq. M)



Rate Comparison- Industrial (\$/Sq. M)



Key Steps in Passing a DC By-law

Task	Description
Release DC Background Study to the Public	<ul style="list-style-type: none"> 60-days prior to by-law passage (including on website)
Advertise for Public Meeting	<ul style="list-style-type: none"> 20-days notice
Release Proposed DC By-law	<ul style="list-style-type: none"> 2 weeks before the Public Meeting (or sooner)
Hold Statutory Public Meeting	<ul style="list-style-type: none"> Received submissions from the public and Council Amend proposed charges and by-law if warranted Determine if additional Public Meeting is required
DC By-law Passage	<ul style="list-style-type: none"> Any changes brought forward for adoption
Notice of By-Law Passage	<ul style="list-style-type: none"> 20-days after DC by-law passage
Appeal Period	<ul style="list-style-type: none"> 40-days following DC by-law passage
DC Pamphlet	<ul style="list-style-type: none"> 60-days after passage of DC by-law

The Grey County DC By-law

Exemptions

- Statutory
 - Board of education
 - Municipality or local board
 - Industrial: 50% expansion
 - Secondary units (new and existing builds)—NEW
- Discretionary
 - Public hospitals
 - Institutional church uses
 - Agricultural uses (that do not receive water/sewer servicing)
 - Farm buildings
 - Accommodation for seasonal/temporary agricultural labourers
 - Commercial and industrial uses
 - Purpose-built rental and non-profit—NEW

Other Provisions

- DCs shall be indexed annually on January 1
- DC credits for redevelopment provided redevelopment occurs within 5 years
- Local services not funded through DCs
 - Local service guidelines should be reviewed during DC study
- *DCA* provides for early or late timing of payment under agreement

Changes as of January 1, 2020: When are DCs Determined and Paid?

DC Base Rates Established

- Applies to development applications received after Jan 1, 2020
- The day of application for site plan control; or, if not applicable
- The day of application for rezoning; or, if neither apply
- The day of building permit issuance.

DCs payable at first building permit issuance

DC Payment Deferred

- Applies to prescribed types of development
- Rental housing (5 years)
- Institutional development* (5 years)
- Non-profit housing (20 years)

*Defined in the legislation

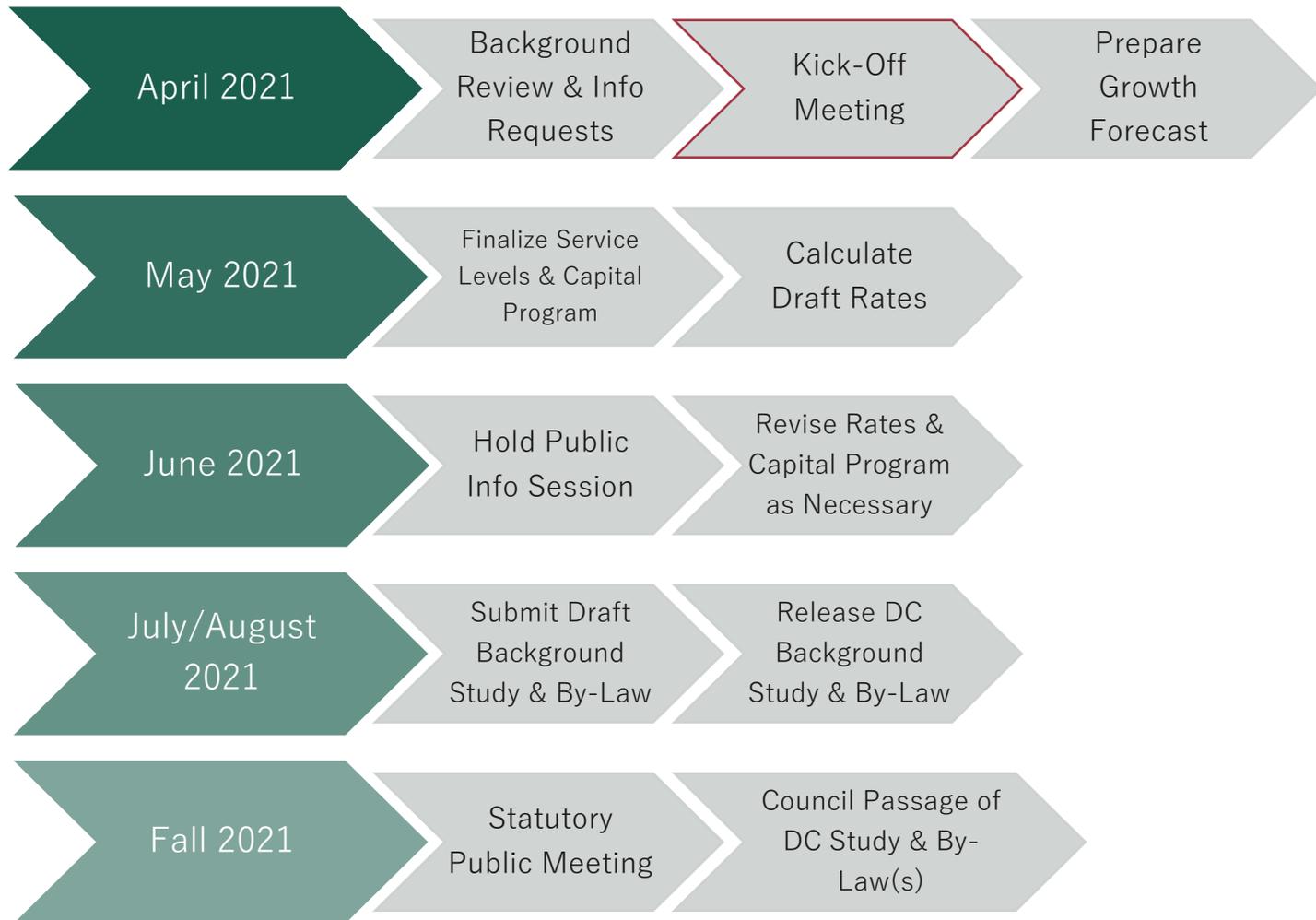
Initial installment paid at occupancy (permit or actual) and annually thereafter

Note: Municipality may charge interest from time of DC calculation and time of payment.

Key Decision Points for Council

- Consider and approve development-related capital program
 - Direction to proceed with drafting Background Study
- Consider area rating
- Consider whether to hold another public meeting
- Implementation options
 - Full or partial rates
 - Phase-ins or delayed effective dates
 - Exemptions

Proposed DC Study Timeline



Next Steps

- Data gathering & review
- Development forecasts
- Develop capital programs
 - Meetings to be scheduled via web conference

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