



Committee Minutes

Development Charges Steering Committee November 15, 2021 – 3:00 p.m.

The Development Charges Steering Committee met via Zoom call on the above date with the following members in attendance:

Present: Councillors Sue Carleton, Alar Soever and Warden Selwyn Hicks

Regrets: Councillors John Woodbury and Shirley Keaveney

Staff Present:

Kim Wingrove, Chief Administrative Officer; Randy Scherzer, Deputy CAO; Mary Lou Spicer, Director of Finance; Kevin McNab, Director of Paramedic Services; Pat Hoy, Director of Transportation Services; Trevor Ireton, Project Planning Engineer; Michael Letourneau, Director of Legal Services-County Solicitor, Anne Marie Shaw, Director of Housing, Jim Nicoll, Maintenance Manager, Calvin Robinson, Financial Analyst, and Heather Morrison, Clerk.

Consultants: Stefan Krzeczunowicz and Rachel Battaglia of Hemson Consulting

Call to Order

Vice Chair Soever called the meeting to order at 3:00 p.m.

Declaration of Interest

There were none.

Presentation

Stefan Krzeczunowicz, Hemson Consulting-Development Charges Background Study and By-law Update

Mr. Krzeczunowicz reviewed the agenda for today's meeting. He highlighted the public comments received as part of the public meeting held October 28, 2021 including cashflow assumptions, approach to funding exemptions, wait lists for housing and long-

term care, roads Benefit to Existing (BTE) allocations, and credits for water and wastewater at Cobble Beach. Discussion occurred on the rate of inflation, where it was noted that the development charges are indexed annually to keep up with the rate of inflation. He then spoke to the questions raised by Council including per unit versus area-based residential charges, roads program and Transportation Master Plan and exemptions for small units (less than 1000 square feet). Discussion then occurred on the increase in the number of people living in any unit, noting that this information will be picked up in the upcoming census.

Mr. Krzeczunowicz then spoke to options related to re-introducing Grey Gables Redevelopment back into the development charges providing the Committee with two options for consideration. He noted under Option one, Grey County would continue to leave the Grey Gables redevelopment out of the Development Charges study and rate calculation, as per the direction of this Committee. He also stated that the by-law can be amended within one year with no change required to the development charge study. Option two would allow for the reintroduction of Grey Gables into the background study and rate calculations. He did note that there would be no change to the development charge rates relative to the long-term care portfolio as the maximum rate is already being proposed. He also indicated that the capital project must reflect Council's intentions. Discussion occurred on the long-term care projects and the impact or allocation of development charges on each project.

Mr. Krzeczunowicz then outlined some policy considerations related to development charge exemptions for the Committee's direction. He noted that statutory exemptions include boards of education, municipalities and local boards, industrial expansion of 50% or more and secondary units. The discretionary exemptions include public hospitals, institutional church uses, agricultural uses (off municipal services), farm buildings, seasonal/temporary worker accommodations and commercial and industrial uses.

Other exemptions introduced in 2020 were then outlined including purpose built rental housing, non-profit housing, additional dwelling units/secondary units, redevelopment credits for non-residential to residential conversions, and approved Community Improvement Plan projects.

Mr. Krzeczunowicz spoke to other provisions within the development charges by-laws for the Committee's information. These include the annual indexing of development charges on January 1, credits for redevelopment provided redevelopment occurs within five years, local services not funded through development charges, and the provision under the Development Charges Act for early or late timing of payment under an agreement.

The estimated revenue shortfall from the exemptions noted above was then reviewed with \$513,000 from commercial, \$228,000 from industrial, and \$50,000 from rural totaling \$792,000 plus the exemptions introduced in 2020 which are estimated at an average of \$250,000-\$300,000 per year. Mr. Krzeczunowicz then outlined other considerations related to the non-residential exemptions noting most counties impose at least a small charge on commercial development while industrial development is often exempt as they are considered an economic development initiative.

Mr. Krzeczunowicz outlined options related to semi-detached units noting that no municipality has a specific development charge for semis which form less than 2% of the Grey County housing stock. He noted two options; group the semi-detached with row houses and other multiple dwellings or keep the current structure as is, being included with single dwellings, which is the recommendation from Hemson.

The final decision-making points for the Committee and subsequently Council were then outlined. These include resolving to not hold another public meeting, implementation options related to full or partial rates, phase-in or delayed effective dates, non-residential exemption, deferral or conditional development charge exemptions for purpose built rental buildings, and any other development charge by-law changes necessary.

Randy Scherzer provided an update on the current deferral and conditional exemption development charge agreements for purpose-built rental buildings, noting most of the purpose-built rentals are in Owen Sound with one each in Dundalk and Hanover. Staff are recommending the continuation of these exemptions to continue the build of more affordable housing units and to continue to monitor the vacancy rate and if the vacancy rate returns to a healthy level then Council could reconsider these conditional exemptions. Staff are recommending an exemption for the residential portion of mixed-use buildings if a portion of the building is for purpose-built housing with another portion being commercial use as an example.

It is hoped that the by-law can be passed at the December 9, 2021 Council meeting, otherwise a special meeting of Council will need to be called to meet the January 1, 2022 deadline.

Questions and comments from the Committee members then followed.

Next Step

Mr. Scherzer noted that the final step for the Development Charges Steering Committee is recommending that Grey County Council support the development charges by-laws and to bring those by-laws forward at the December 9, 2021 Council meeting for

approval. The Committee discussed the decision-making points outlined within the presentation.

DCSC06-21 Moved by: Councillor Carleton Seconded by: Warden Hicks

WHEREAS Council instructed Hemson Consulting Ltd. to prepare a draft Development Charges Background Study and draft Development Charges By-laws on the basis of growth forecasts and growth-related capital program presented to the Development Charges Steering Committee on September 13, 2021;

AND WHEREAS a Development Charges Background Study and Development Charges By-laws were prepared and made available on the County website and at the County Administration Building on October 7, 2021 and October 14, 2021, respectively, in accordance with the Development Charges Act;

AND WHEREAS a Public Meeting was held on October 28, 2021 to receive comments on the Development Charges Background Study and Draft Development Charges By-law with notice being given in accordance with the Development Charges Act;

AND WHEREAS based on the comments received, revisions to the capital program and the development charges by-laws have been recommended to Council by the Development Charges Steering Committee;

NOW THEREFORE BE IT RESOLVED THAT the growth-related capital program as set out in the Development Charges Background Study dated October 8, 2021 as amended, to reflect the changes to the capital program, be endorsed; and

THAT the Development Charges Steering Committee express its intent that growth-related costs identified in the Development Charges Background Study as post-period benefit shall be paid for subsequently by development charges or other similar charges; and

THAT notice was given in accordance with Section 12 of the Development Charges Act, 1997, of its intention to pass a by-law under Section 2 of the Act; and

THAT it has been determined that no further public meetings are required under Section 12(3) of the Development Charges Act, 1997; and

THAT Development Charges Steering Committee hereby recommends to Grey County Council the adoption of the Development Charges 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 or 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; and**
- **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; and**

THAT once the by-laws are adopted by Grey County Council, the Development Charges Steering Committee be dissolved.

Carried

DCSC07-21 Moved by: Warden Hicks

Seconded by: Councillor Carleton

THAT the correspondence from the Councils of the Town of the Blue Mountains and the Municipality of Grey Highlands and the letter from Stantec on behalf of Parkbridge regarding development charges be received for information.

Carried

Other Business

There was none.

Adjournment

Development Charges Steering Committee
Monday November 15, 2021

On motion by Councillor Carleton and Warden Hicks, the meeting adjourned at 4:42
PM.

Councillor Soever, Vice Chair