

**The Regional Municipality of Halton
1151 Bronte Road, Oakville**



AGENDA

DEVELOPMENT CHARGES ADVISORY COMMITTEE

Thursday, October 21, 2021

To be held at

9:30 a.m.

Virtual Meeting

CONTACT INFORMATION:

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WE REQUEST YOUR CO-OPERATION IN MAINTAINING THE FOCUS OF COMMITTEE AND COUNCIL MEETINGS. PLEASE ENSURE THAT ALL PAGERS AND CELLULAR TELEPHONES ARE SWITCHED TO A NON-AUDIBLE FUNCTION DURING YOUR ATTENDANCE AT THESE MEETINGS.

THANK YOU FOR YOUR ASSISTANCE.

THE REGIONAL MUNICIPALITY OF HALTON

MEETING NO. 03-21

NAME OF COMMITTEE: DEVELOPMENT CHARGES ADVISORY COMMITTEE

DATE OF MEETING: Thursday, October 21, 2021
9:30 a.m. – 12:30 p.m.

PLACE OF MEETING: Zoom Video Conference
Halton Regional Centre
1151 Bronte Road
Oakville, Ontario

MEETING LINK: <https://halton.zoom.us/j/91237712211?pwd=eXN1OWdOejFZVHBJUXRIMWZlUzFndz09>
(for public viewing)

AGENDA

DISCLOSURES OF PECUNIARY INTEREST

REGULAR AGENDA

1. Confirmation of Minutes of Development Charges Advisory Committee Meeting No. 02-21 held Friday, October 8, 2021 (Agenda Pages 1 – 24)
2. Water/Wastewater & Roads Capital Costs and Calculations
3. Discussion

OTHER BUSINESS

ADJOURNMENT

COMMITTEE MEMBERS

Gary Carr, Regional Chair
Rob Burton, Mayor, Town of Oakville
Mike Cluett, Councillor, Town of Milton
Paul Sharman, Councillor, City of Burlington
Clark Somerville, Councillor, Town of Halton Hills
Lisa Brown, Citizen Representative
Carmen Gucciardi, Citizen Representative
Herb Lewington, Citizen Representative
Ric Robertshaw, Citizen Representative
Steven Frankovich, West End Home Builders Association (WEHBA)
Gary Gregoris, Building Industry and Land Development Association (BILD)
Shane Cooney, Non-residential Development Industry
Jason Sheldon, Non-residential Development Industry
Ray Chesher, Business/Chamber of Commerce Representative
Leisl Dukhedin-Lalla, Business/Chamber of Commerce Representative

STAFF REPRESENTATION

Matthew Buist, Director, Capital Development Financing
Paula Kobli, Senior Advisor – Development, Finance
Katherine Fleet, Manager, Development Financing
Graham Milne, Regional Clerk

DEVELOPMENT CHARGES ADVISORY COMMITTEE

MEETING NO. 02-21

NAME OF MEETING: DEVELOPMENT CHARGES ADVISORY COMMITTEE

DATE OF MEETING: Friday, October 8, 2021
9:30 a.m.

PLACE OF MEETING: Zoom Video Conference

MEMBERS PRESENT: Councillor Paul Sharman (Chair)
Mayor Rob Burton, Councillor Mike Cluett, Councillor Clark
Somerville, Lisa Brown, Ray Chesher, Shane Cooney,
Steven Frankovich, Gary Gregoris Carmen Gucciardi,
Herb Lewington, Ric Robertshaw, Jason Sheldon

GUESTS: Daryl Abbs, Gary Scandlan
(Watson & Associates)

REGRETS: Leisl Dukhedin-Lalla,
Gary Carr, Regional Chair

STAFF PRESENT: Matthew Buist, Paula Kobli, Katherine Fleet, Graham
Milne

The Development Charges Advisory Committee met on the above-noted date via electronic means and advised the following:

DISCLOSURES OF PECUNIARY INTEREST

There being no disclosures of pecuniary interest, the Committee proceeded with the regular order of business.

REGULAR AGENDA

- 1. Confirmation of Minutes of Development Charges Advisory Committee Meeting No. 01-21 held Friday, September 24, 2021**

The minutes were confirmed without objection.

2. DC Policies and By-law Structure

Matthew Buist, Director, Capital Development Financing, provided an overview of the Region's current DC policies and the proposed changes, along with highlights of the Region's DC By-law structure, and responded to questions from members.

3/4. Adjusted Growth for DC Calculations/General Services Calculation

Gary Scandlan, Watson & Associates, provided an overview of the methodology involved in the calculations of DC's. A copy of the presentation which includes the overview from Item #1 is appended to the minutes.

5. Discussion

Matthew Buist noted that the technical reports accompanying the water and wastewater studies will be released in the forthcoming Council Agenda and invited members to review the studies and provide comments, if any, back to staff.

OTHER BUSINESS

There was no other business.

ADJOURNMENT

Adjournment: 10:20 a.m.

2022 Development Charges Update

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Development Charges Advisory
Committee

October 8, 2021



Agenda

1. DC Policies & By-law Structure
2. Adjusted Growth for DC Calculations
 - i. Residential Growth
 - ii. Non-Residential Growth
3. General Services Calculation
 - i. Total Costs
 - ii. Rate Calculations

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1. DC Policies & By-law Structure

Current DC Policies and Proposed Changes

DC Policies (By-law No. 36-17)	Current Policy	Proposed Changes
Intensification:		
Industrial Expansion Exemption (<i>Mandatory</i>)	Exempt 50% of Existing TFA	Included in 50% exemption, exempt up to 3,000 sq. ft. of a separate, accessory building
Commercial Expansion (Non-Retail)	Exempt first 3,000 sq.ft. in existing or accessory building	No change
Non-Residential Lot Coverage Relief	DCs payable on TFA <= 1X lot area emempt for TFA > 1X lot area	No change
Demolition Credit	Credit for 5 years	No change
Conversion Credit	Retail conversion - exempt greater of 25% of TFA or 10,000 sq. ft. (930 sq. m.);	No change
Additional dwelling units in existing residential buildings or a structure ancillary to it (<i>Mandatory</i>)		No change
Accessory Dwelling Units	DC payable at special care unit rate	No Change
Affordable Rental Housing	Greater of 25% or 10 units at or below affordable rent, as defined (for min. 20yrs) Deferral of DCs by annual payments over 20 yrs commencing at BP No interest, Subject to allocation	No Change
Bill 108 DCA changes		
Additional dwelling units in new residential buildings or a structure ancillary to it (<i>Mandatory</i>)		No change
Rental housing (that is not non-profit) (<i>Mandatory</i>)	Payment of DCs by 6 annual installments commencing at occupancy Interest applies	No change
Non-profit housing (<i>Mandatory</i>)	Payment of DCs by 21 annual installments commencing at occupancy No interest per Regional policy	No change
Institutional (<i>Mandatory</i>)	Payment of DCs by 6 annual installments commencing at occupancy Interest applies	No change

Current DC Policies and Proposed Changes

DC Policies (By-law No. 36-17)	Current Policy	Proposed Changes
Economic Development:		
Non-Residential Payment Deferral	Deferral of DCs by annual payments over 10 yrs commencing at BP Interest applies	No change
Non-Residential Categories	Differentiated between Retail and Non-retail	No change
Temporary Non-Residential Building	Exempt for 3 years	No change
Seasonal Structures (to be removed after a single season)	Exempt	No change
Temporary Venues (to be removed within 1 week)	Exempt	No change
Other		
Municipal and School Board Exemptions (<i>Mandatory</i>)	Exempt	No change
Parking Garages	Exempt	No change
Temporary Residential Building - Garden Suite, Other	Exempt	No change
Agricultural	Exempt (except for residential & retail/commercial use)	Exempt (except for residential & retail/commercial use). Exempt first 3,000 sq.ft. of accessory retail/commercial TFA definition to exclude cannabis production facility
Hospital	Exempt	No change
Places of Worship	Exempt	No change
Conservation Authority	Exempt (except for retail/commercial use)	No change

Other Considerations: treatment of seasonal mobile homes to be considered as accommodation and charged as Non-retail.

Agricultural

Existing Issues/Challenges:

- Under the current policy in the DC by-law the Region exempts agricultural uses but not on-farm diversified uses (i.e. related commercial/retail)

Proposed Changes:

- Modify the current commercial expansion to include on-farm diversification. This will allow on-farm diversification to be exempt from development charges for:
 - First 3,000 sq. ft.
 - As long as at least 6 months have elapsed since the last building permit
 - The owner provides written confirmation that the existing farming operation is continuing
 - Additionally, a bone fide farm operation may extend beyond multiple legal lots so long as the lots are adjoining and form part of the bona fide farm operation
- Agricultural definition will exclude “cannabis production facility”

Industrial Expansion

Existing Issues/Challenges:

- The current industrial expansion does not include separate buildings
- The current commercial expansion (up to 3,000 sq. ft.) does not require the expansion to be attached to the existing building, as long as it is incidental to or subordinate in purpose and exclusively devoted to the use in the existing building

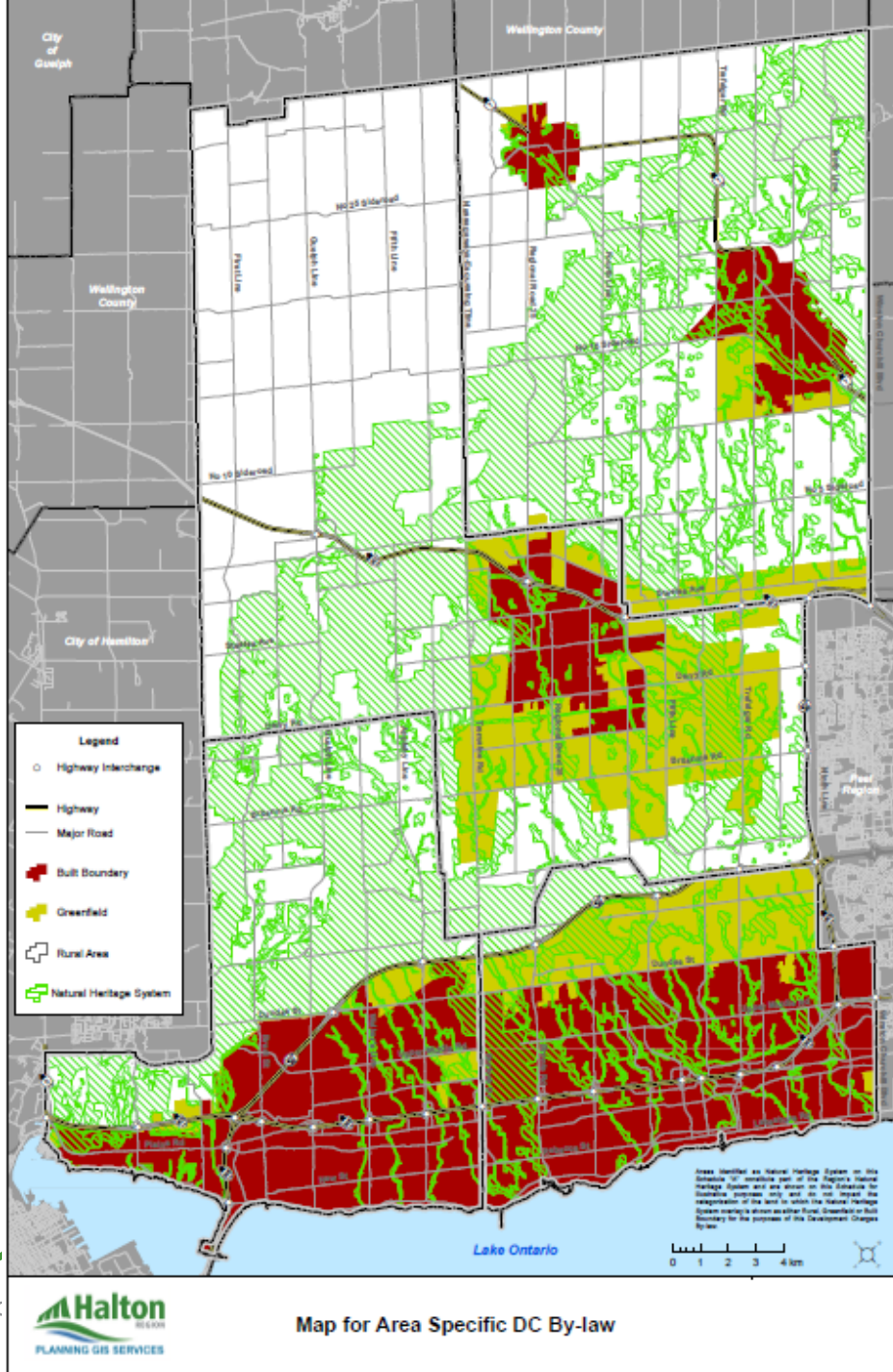
Proposed changes:

- Amend the expansion of existing industrial building exemption to allow up to 3,000 sq. ft. to be located in a separate building. This exemption can be used at the same time as the mandatory expansion however the overall DC exemption will be capped at 50% of existing industrial TFA

DC By-law Structure

- As part of the 2022 DC Update, consideration was given to area specific area charges
- The Region will be considering area specific charge for water and wastewater services, which differentiates the distribution/ collection charge portion of the rate for Built Boundary and Greenfield
- Residential DC rate structure for dwelling types will remain unchanged
- Non-residential DC rate will continue to be differentiated between retail and non-retail

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Map for Area Specific DC By-law

DC By-law Structure

	<u>Areas Applied</u>	<u>Planning Period</u>	<u>Infrastructure Period</u>
1. Water/Wastewater:			
A. Capacity	Region-wide	2022-2031	2023-2031*
B. Distribution/Collection:	Area-specific	2022-2031	2023-2031*
(i) Greenfield			
(ii) Built Boundary			
2. Roads	Region-wide	2022-2031	2023-2031*
3. Police	Region-wide	2022-2031	2022-2031
4. Other General Services	Region-wide	2022-2031	2022-2031

* The Capital requirements for 2022 are part of the current allocation and only the shortfall will be captured as part of the calculation

2. Adjusted Growth for DC Calculations

i. Adjusted Growth Residential

	General Services	W/WW	Roads
BPE Total new units (2022-2031)	54,102	54,265	54,102
Adjustments for DC Calculation:			
Convert to SDE	40,864	41,137	40,864
Add Shortfall ¹	16,463	14,706	16,463
Less Prepaid ²	(9,711)	(14,706)	(12,081)
Less Over Allocated ³	(5,119)	(5,119)	(5,119)
Institutional ⁴	520	524	520
Net SDEs	43,017	36,542	40,647

¹ Represents shortfall in SDE's against BPEs

² Represents pre-paid DCs under previous Allocation Programs, including non-allocation SDE earmarked to finance W/WW and Roads Projects in the 2020 Program

³ Represents oversubscription under 2020 Allocation Program

⁴ Population related institutional (i.e. long-term care)

ii. Adjusted Growth Non-Residential

	General Services and Roads	W/WW
TFA (2022-2031)	45,360,650	45,126,001
Sq.Ft. Adjustment	50,501,657	50,501,657
Institutional ¹	(746,564)	(746,564)
Net TFA	95,115,744	94,881,095

¹ Population related institutional employment

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3. General Services Calculation

i. Total Capital Costs

General Services Capital Infrastructure Costs (\$millions)

Services	Gross Cost	Less:				Net Growth		
		Benefit to Existing Dev't	Post Period Capacity	Subsidy, Dev Contbt'n	Other Deduc't	Total	Res	N-res
General Service (2022-2031):								
Growth Studies	\$ 16.1	\$ 6.3	\$ -	\$ -	\$ 0.8	\$ 9.0	\$ 6.5	\$ 2.5
Police*	83.6	19.5	27.5	-	-	36.6	26.3	10.3
Paramedics	32.6	11.4	8.4	-	-	12.8	11.3	1.5
Facilities	12.3	4.0	1.3	-	-	7.0	6.0	1.1
Social Housing	100.1	50.1	-	-	-	50.1	50.1	-
Waste Diversion	14.9	8.1	1.0	-	0.4	5.4	5.1	0.3
Waterfront Parks	37.6	14.9	14.8	-	-	7.9	7.5	0.4
Total	\$ 297.2	\$ 114.2	\$ 53.1	\$ -	\$ 1.2	\$ 128.7	\$ 112.7	\$ 16.0

Note: May not add due to rounding

* Includes discounted debt payments

i. Total Costs

Additional Costs in DC Calculations

Types	Comments
Unfunded Capital Costs	Unpaid DC share of external/internal debt carried from 2020 Allocation program and prior allocation programs
DC Credits	Remaining DC credits relating to S. 14 of the DC Act and developer up-front financing previously provided for servicing of Halton Hills 401 Corridor and other areas
Interest/Inflation	Assumed 2.0% inflation, 3.0% interest
Reserve Fund Balance	Projected 2021 year-end balances

i. Cashflow Costs General Services (\$000's)

Services	Net Growth Costs	External Debt	Interest/ Inflation	Reserve Fund Balance	Total		
					Total	Res	Non-Residential
Growth Studies	\$ 8,980.0	\$ -	\$ 154.8	\$ 3,016.7	\$ 12,151.5	\$ 6,487.5	\$ 5,664.0
Police	7,595.6	34,662.2	(2,532.3)	4,193.1	43,918.6	25,969.6	17,949.0
Paramedic Services	12,804.0	-	226.6	1,654.1	14,684.7	12,324.5	2,360.2
Facilities	7,040.2	-	8.6	(1,465.6)	5,583.1	4,216.0	1,367.1
Social Housing	50,050.0	-	(406.5)	(7,236.8)	42,406.7	42,406.7	-
Waste Diversion	5,390.8	-	34.3	(1,010.8)	4,414.2	4,117.7	296.5
Waterfront Parks	7,905.0	-	339.7	1,887.2	10,131.9	9,407.5	724.4
Total	\$ 99,765.5	\$34,662.2	\$ (2,174.8)	\$ 1,037.8	\$ 133,290.7	\$ 104,929.7	\$ 28,361.1

ii. DC Rate Calculations

Services	Residential DC (\$/SDE)			Non-Residential DC (\$/Sq.Ft.)		
	Total Costs (\$000's)	SDEs	DCs	Total Costs (\$000's)	Sq.Ft.	DCs
Growth Studies	\$ 6,487.5	43,017	\$ 150.82	\$ 5,664.0	95,115,744	\$ 0.060
Police	\$ 25,969.6	43,017	\$ 603.71	\$17,949.0	95,115,744	\$ 0.189
Paramedic Services	\$ 12,324.5	43,017	\$ 286.51	\$ 2,360.2	95,115,744	\$ 0.025
Facilities	\$ 4,216.0	43,017	\$ 98.01	\$ 1,367.1	95,115,744	\$ 0.014
Social Housing	\$ 42,406.7	43,017	\$ 985.82	n/a	n/a	n/a
Waste Diversion	\$ 4,117.7	43,017	\$ 95.72	\$ 296.5	95,115,744	\$ 0.003
Waterfront Parks	\$ 9,407.5	43,017	\$ 218.69	\$ 724.4	95,115,744	\$ 0.008
Total			\$ 2,439.28			\$ 0.299

General Services DC Rate Compare

Services*	Proposed DC's		Current DC's		Difference	
	Residential (SDE)	Non-Residential (SQ.FT.)	Residential (SDE)	Non-Residential (SQ.FT.)	Residential (SDE)	Non-Residential (SQ.FT.)
Growth Studies	150.82	0.060	261.69	0.146	(110.87)	(0.086)
Police	603.71	0.189	619.90	0.182	(16.19)	0.007
Paramedics	286.51	0.025	169.34	0.028	117.17	(0.003)
Facilities	98.01	0.014	146.27	0.023	(48.26)	(0.009)
Social Housing	985.82	-	941.14	-	44.68	-
Waste Diversion	95.72	0.003	64.67	0.003	31.05	-
Waterfront Parks	218.69	0.008	202.05	0.011	16.64	(0.003)
Total	\$ 2,439.28	\$ 0.299	\$ 2,405.06	\$ 0.393	\$ 34.22	\$ (0.094)

* Excludes GO Transit as it is outside this by-law update

Discussion

Questions

Please submit any questions to DCAdvisory@halton.ca

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