

2022 Development Charges Update

HDLC

November 26, 2021



Halton.ca  311



Agenda

1. DC 101
2. DC By-Law Structure
3. Growth for DC Calculations
 - i. Residential
 - ii. Non-Residential
4. DC Rate Review
5. DC Policy Review

1. DC 101



What are Development Charges (DCs)?

- Charges collected by municipalities (and EDCs in the case of school boards) to fund development-related capital costs.
- To recover the capital costs associated with residential and non-residential growth within a municipality
- The capital costs are in addition to what costs would normally be constructed as part of a subdivision (i.e. internal roads, sewers, watermains, roads, sidewalks, streetlights, etc.)
- Municipalities are empowered to impose these charges via the Development Charges Act (D.C.A.)
- DCs are paid by developers and builders and anyone seeking a building permit, subdivision, or by agreement.



D.C. Eligible Services – As per Bill 197

1. Water
2. Wastewater
3. Storm water drainage
4. Services related to a highway.
5. Electrical power services.
6. Toronto-York subway extension.
7. Transit
8. Waste diversion
9. Policing
10. Fire protection
11. Ambulance
12. Library
13. Long-term Care
14. Parks and Recreation
15. Public Health services
16. Childcare and early years services.
17. Housing services.
18. Provincial Offences Act
19. Emergency Preparedness
20. Airports (Waterloo Region only).

Note: Classes of services will be established for Growth Studies and Facilities



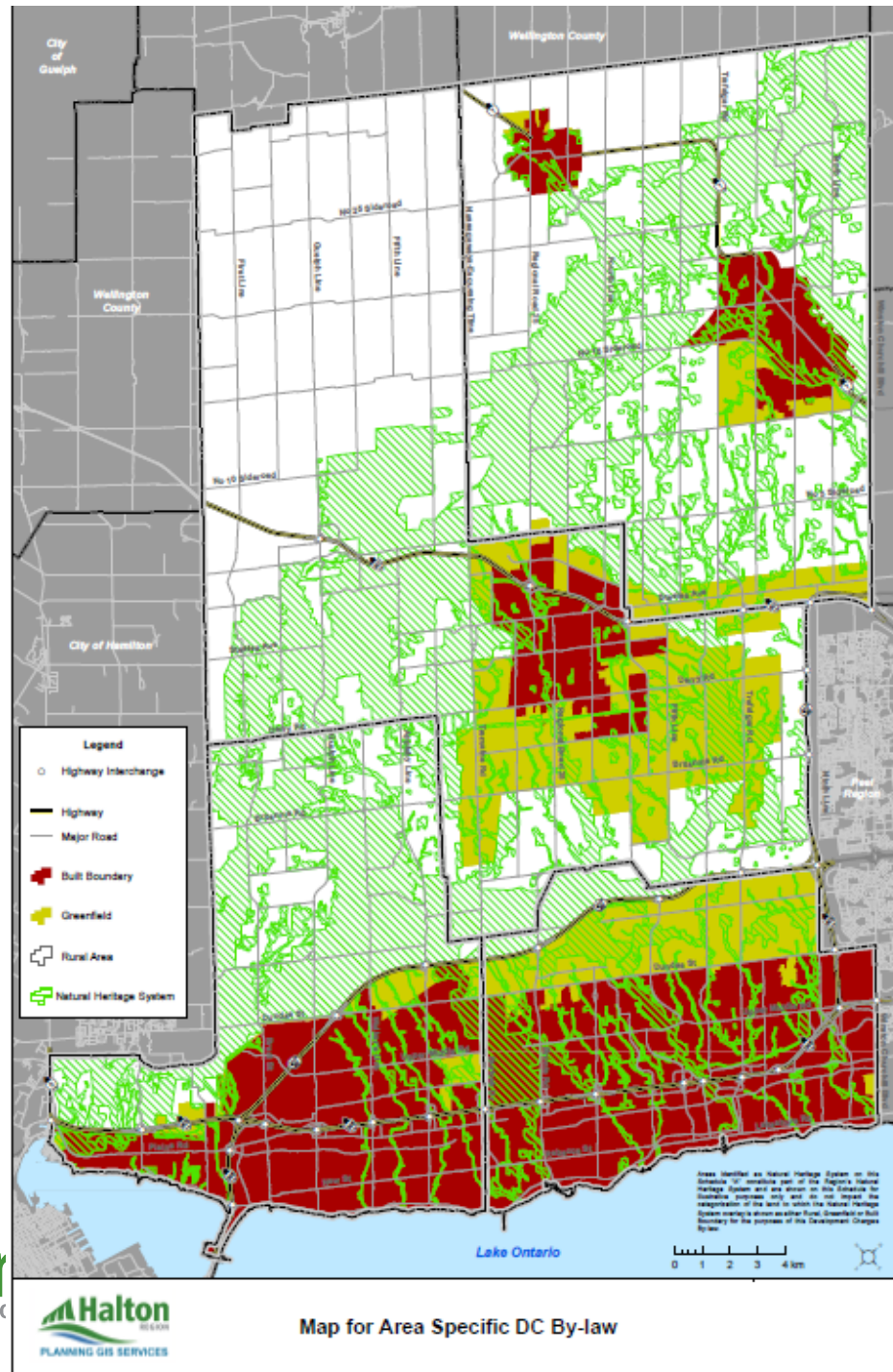
Growth Challenges

- Halton cannot accommodate the growth targets of the Provincial *Places to Grow Act* (Growth Plan) unless the full costs of growth are recoverable through DCs or other funding tools.

2. DC By-law Structure

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



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

3. Growth for DC Calculations



i. 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. 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

4. DC Rate Review

i. Proposed Residential DC Rate Per SDE

Service	As of April 1, 2021		Revised Calculation	
	Area Specific		Area Specific	
	Greenfield	Built-Bndry	Greenfield	Built-Bndry
Water & Wastewater	\$ 18,965	\$ 7,679	\$ 29,537	\$ 10,221
Roads	19,284	19,284	30,366	30,366
General Services	2,405	2,405	2,439	2,439
GO Transit ¹	1,280	1,280	1,280	1,280
Recovery ¹	3,679	N/A	3,679	N/A
A) Total	\$ 45,614	\$ 30,649	\$ 67,301	\$ 44,306

Front-end Recovery Charge

Water & Wastewater ¹	\$ 8,325	\$ 8,325	\$ 8,325	\$ 8,325
Roads ¹	1,175	1,175	1,175	1,175
B) Total	\$ 9,500	\$ 9,500	\$ 9,500	\$ 9,500

Total (A + B) \$ 55,114 \$ 40,149 \$ 76,801 \$ 53,806

1. GO Transit, Recovery and Front-end Recovery are beyond the scope of this study. However, shown in this table for the purposes of presenting a total quantum of DCs

Note: May not add due to rounding

Proposed Residential DC Rate Per Unit

Greenfield DC's								
Unit Type	Subject to this DC By-law Update				Other Chrges under DCA			Total
	W/WW	Roads	General Services	Sub-total	Go Transit	Front-ending Recovery	Recovery	
Single and Semi-Detached	29,536.55	\$30,365.68	\$ 2,439.28	\$62,341.51	\$ 1,280.33	\$ 9,500.00	\$ 3,679.00	\$76,800.84
Multiples- 3 or More Bedrooms	23,921.39	24,582.32	1,974.70	50,478.41	1,070.49	7,591.33	2,845.00	61,985.23
Multiples- Less than 3 Bedrooms	15,810.26	16,247.08	1,305.13	33,362.48	778.85	5,516.06	2,157.00	41,814.39
Apartments- 2 or More Bedrooms	14,347.76	14,741.34	1,184.17	30,273.26	736.17	4,655.19	1,977.00	37,641.62
Apartments- Less than 2 Bedrooms	10,623.00	10,914.41	876.76	22,414.17	501.46	3,586.52	1,502.00	28,004.15
Special Care/Need & Accssry	8,604.41	8,855.02	711.33	18,170.76	391.22	2,968.52	1,135.00	22,665.50

Built-Boundary DC's								
Unit Type	Subject to this DC By-law Update				Other Chrges under DCA			Total
	W/WW	Roads	General Services	Sub-total	Go Transit	Front-ending Recovery	Recovery	
Single and Semi-Detached	\$10,220.97	\$30,365.68	\$ 2,439.28	\$43,025.93	\$ 1,280.33	\$ 9,500.00	N/A	\$53,806.26
Multiples - 3 or More Bedrooms	8,286.05	24,582.32	1,974.70	34,843.07	1,070.49	7,591.33	N/A	43,504.89
Multiples - Less than 3 Bedrooms	5,476.46	16,247.08	1,305.13	23,028.67	778.85	5,516.06	N/A	29,323.58
Apartments - 2 or More Bedrooms	4,975.63	14,741.34	1,184.17	20,901.14	736.17	4,655.19	N/A	26,292.50
Apartments - Less than 2 Bedrooms	3,683.93	10,914.41	876.76	15,475.10	501.46	3,586.52	N/A	19,563.08
Special Care/Need & Accssry	2,989.40	8,855.02	711.33	12,555.75	391.22	2,968.52	N/A	15,915.49

Note: May not add due to rounding

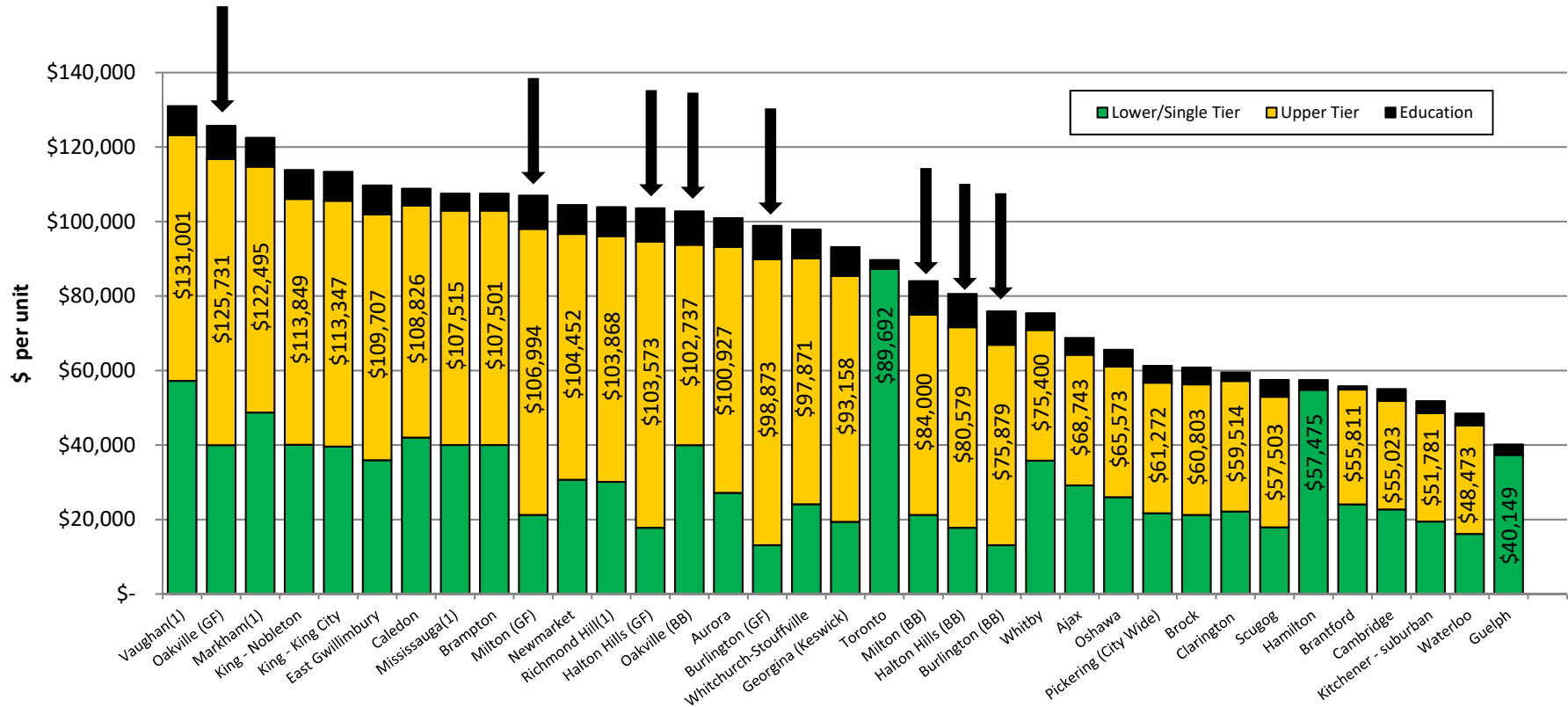


Proposed Non-Res DC Rate Per Sq.Ft.

Services	As of April 1, 2021				Revised Calculation			
	Greenfield		Built-Bndry		Greenfield		Built-Bndry	
	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail	Non-Retail	Retail
Water/Wastewater	7.226	7.226	3.233	3.233	9.142	9.142	3.393	3.393
Roads	5.978	30.279	5.978	30.279	8.585	46.049	8.585	46.049
General Services	0.393	0.393	0.393	0.393	0.299	0.299	0.299	0.299
Total	\$ 13.597	\$ 37.898	\$ 9.604	\$ 33.905	\$ 18.026	\$ 55.490	\$ 12.277	\$ 49.741

ii. Single Detached Dwelling DC Compare

Residential Development Charges
Per Single Detached Dwelling for Greater Toronto Area & Select Municipalities
as of September 1, 2021



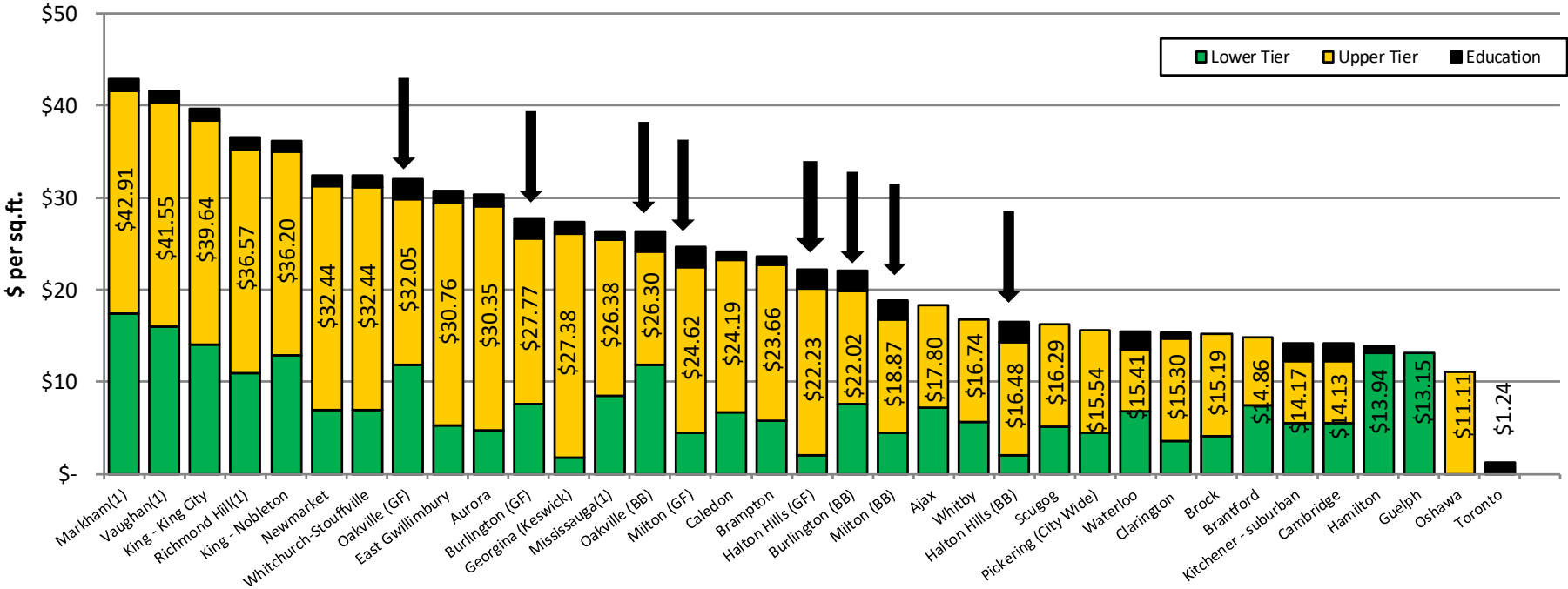
BB=Built Boundary & GF=Greenfield.

1. A component of the charge has been converted from a per hectare charge to a hypothetical single detached unit.
2. Halton DCs include GO Transit (\$1,200) and Front-end Recovery Payment (\$9,500)
2. Halton Greenfield DCs include \$3,679 per SDE for Recovery DC



Non-Residential Non-Retail Compare

**Non-Residential Development Charges
Per GFA of Non-retail Floor Area for Greater Toronto Area & Select Municipalities
as of September 1, 2021**

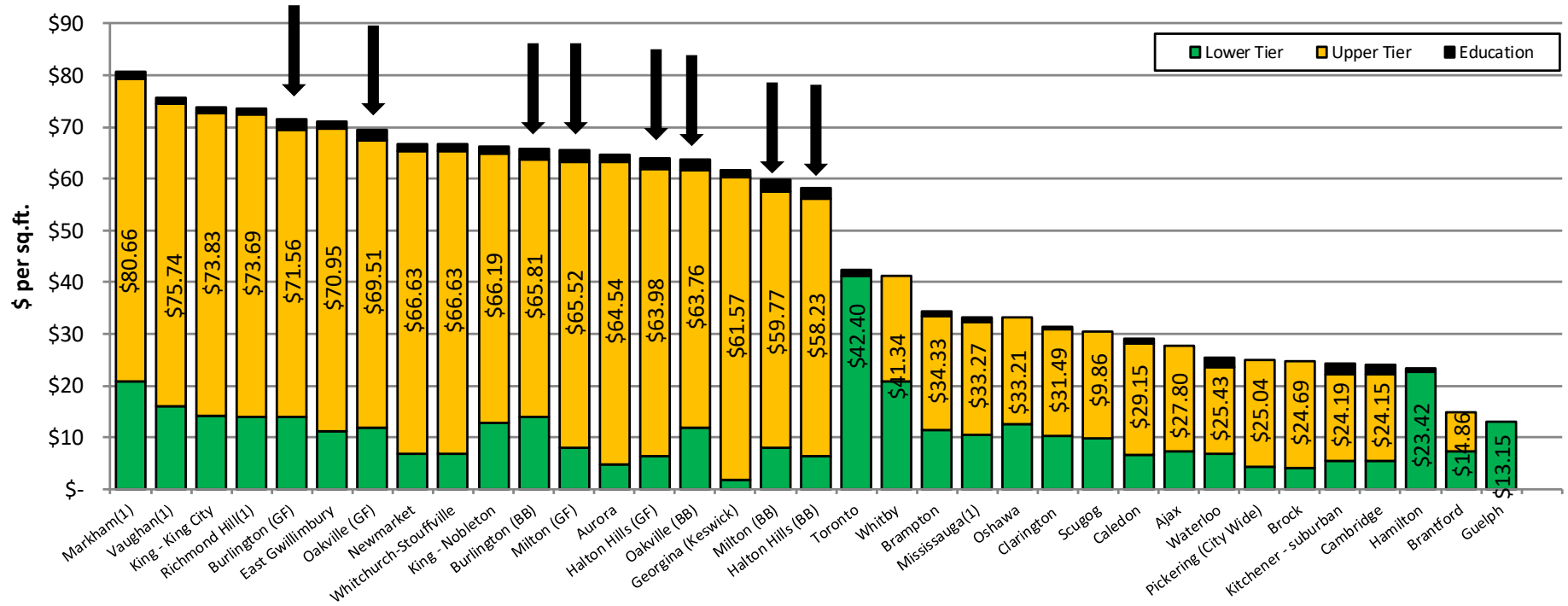


BB=Built Boundary & GF=Greenfield.
1. A component of the charge has been converted from a per hectare charge to a hypothetical charge per sq.ft. of G.F.A.



Non-Residential Retail Compare

Non-Residential Development Charges
Per GFA of Retail Floor Area for Greater Toronto Area & Select Municipalities
as of September 1, 2021



BB=Built Boundary & GF=Greenfield.

1. A component of the charge has been converted from a per hectare charge to a hypothetical charge per sq.ft. of G.F.A.



5. DC Policy Review

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.

Next Steps

	2022 DC Update Process Next Steps	Date
	1. Release DC Background Study to Public	December 15, 2021
Consultation	2. Public Meeting under the DC Act	February, 2022
	3. Final DC Proposals to Council	March, 2022
	4. Passing of DC By-law(s) by Council	April, 2022

Discussion