

2022 Development Charges Update

Development Charges Advisory
Committee

October 29, 2021



Agenda

1. Cost of Growth
2. DC Rate Review
 - i. Proposed DC
 - ii. DC Comparison
3. DC Policy Review

1. Cost of Growth

Cost of Growth

- The DCA is an important tool for Halton to recover growth-related costs in order to provide infrastructure in a timely way to support growth and more importantly the Provincial Growth Plan.
- However, there are two funding gaps experienced by Halton in accommodating growth:
 - Significant upfront growth related infrastructure requirements.
 - Growth pays for growth.
- At the request of Regional Council further information has been provided regarding the second funding gap.

Cost of Growth

Category	Growth Pays for Growth	D.C.A. (As amended by Bill 108, Bill 197)
Exempt Services	<ul style="list-style-type: none"> No exempt services (Include All Growth Related Services) 	<ul style="list-style-type: none"> Social Services is now an exempt service. Growth Studies can only be related to classes of service No change to other services
Service Level Calculations	<ul style="list-style-type: none"> Remove 10-year historic service level limits with a forward looking service level for all services 	<ul style="list-style-type: none"> 10-year planned level of service for prescribed services for transit All other services based on 10 year historical average
50% Industrial Exemption	<ul style="list-style-type: none"> Provide Council with ability to determine exemptions (no mandatory exemptions) 	<ul style="list-style-type: none"> Still includes mandatory exemptions

Cost of Growth

DCA vs. “Growth pays for Growth”

- Cost of Ineligible Services - **\$7.4 million/year**
 - Services such as waste management (excluding waste diversion), social services, acquisition of parkland, municipal administration buildings, museums and computer equipment are not covered, even though demand for these services directly relates to the level of growth.
- Cost of average service level - **\$3.9 million/year**
 - The DCA limits the DC recoverable cost based on the **average service level** provided throughout the 10 years leading up to a DC background study.
- Cost of Industrial Expansion Exemption - **\$4.2 million/year**
 - The DCA contains the 50% industrial expansion exemption that was not in the previous Act (DCA, 1989).
- **Total - \$15.5 million/year**

2. 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	23,923.52	24,582.32	1,974.70	50,480.54	1,070.49	7,591.33	2,845.00	61,987.36
Multiples- Less than 3 Bedrooms	15,811.67	16,247.08	1,305.13	33,363.88	778.85	5,516.06	2,157.00	41,815.79
Apartments- 2 or More Bedrooms	14,349.60	14,741.34	1,184.17	30,275.11	736.17	4,655.19	1,977.00	37,643.47
Apartments- Less than 2 Bedrooms	10,624.37	10,914.41	876.76	22,415.54	501.46	3,586.52	1,502.00	28,005.52
Special Care/Need & Accssry	8,602.59	8,855.02	711.33	18,168.94	391.22	2,968.52	1,135.00	22,663.68

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	8,297.57	24,582.32	1,974.70	34,854.59	1,070.49	7,591.33	N/A	43,516.41
Multiples - Less than 3 Bedrooms	5,484.07	16,247.08	1,305.13	23,036.28	778.85	5,516.06	N/A	29,331.19
Apartments - 2 or More Bedrooms	4,989.12	14,741.34	1,184.17	20,914.63	736.17	4,655.19	N/A	26,305.99
Apartments - Less than 2 Bedrooms	3,693.92	10,914.41	876.76	15,485.09	501.46	3,586.52	N/A	19,573.07
Special Care/Need & Accssry	2,998.07	8,855.02	711.33	12,564.42	391.22	2,968.52	N/A	15,924.16

Note: May not add due to rounding

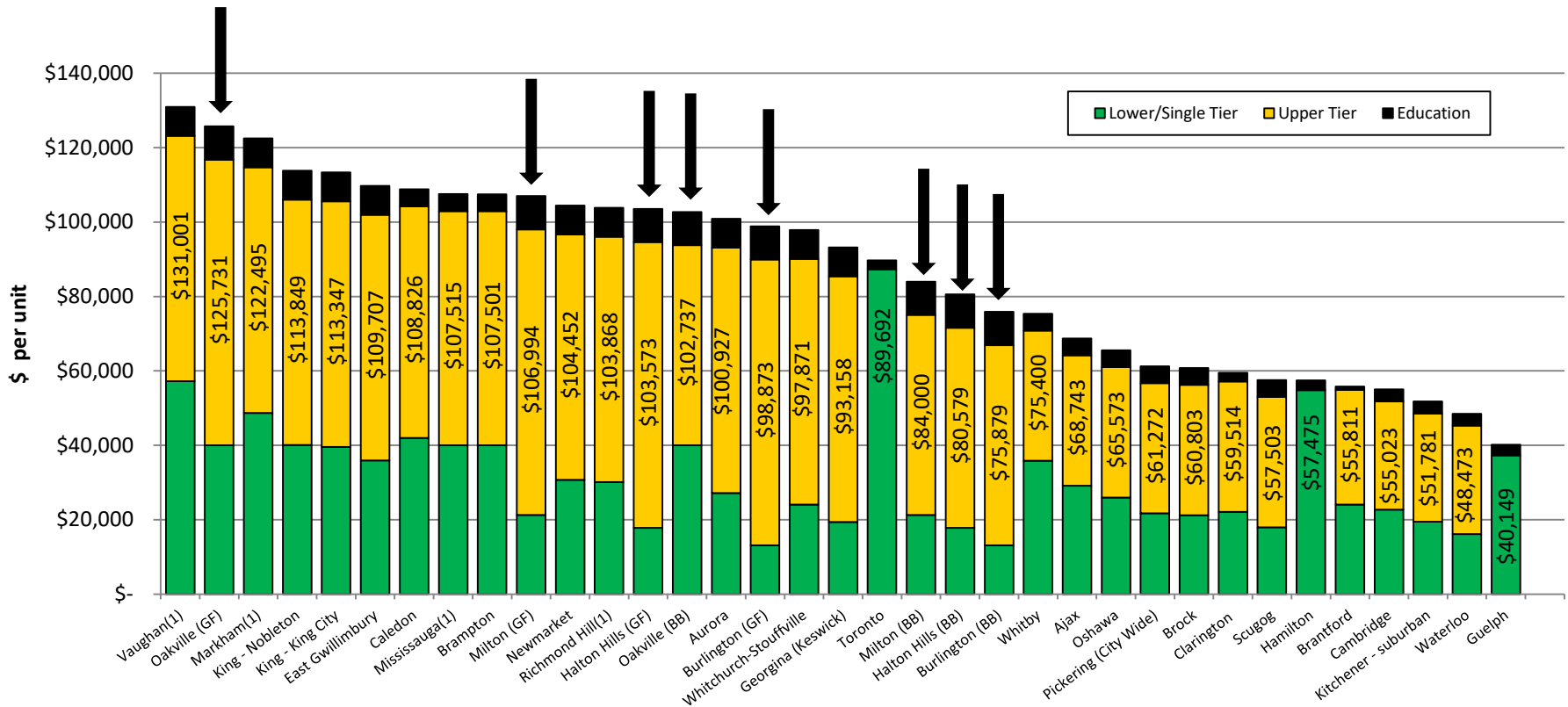


Proposed Non-Res DC Rate Per Sq.Ft.

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



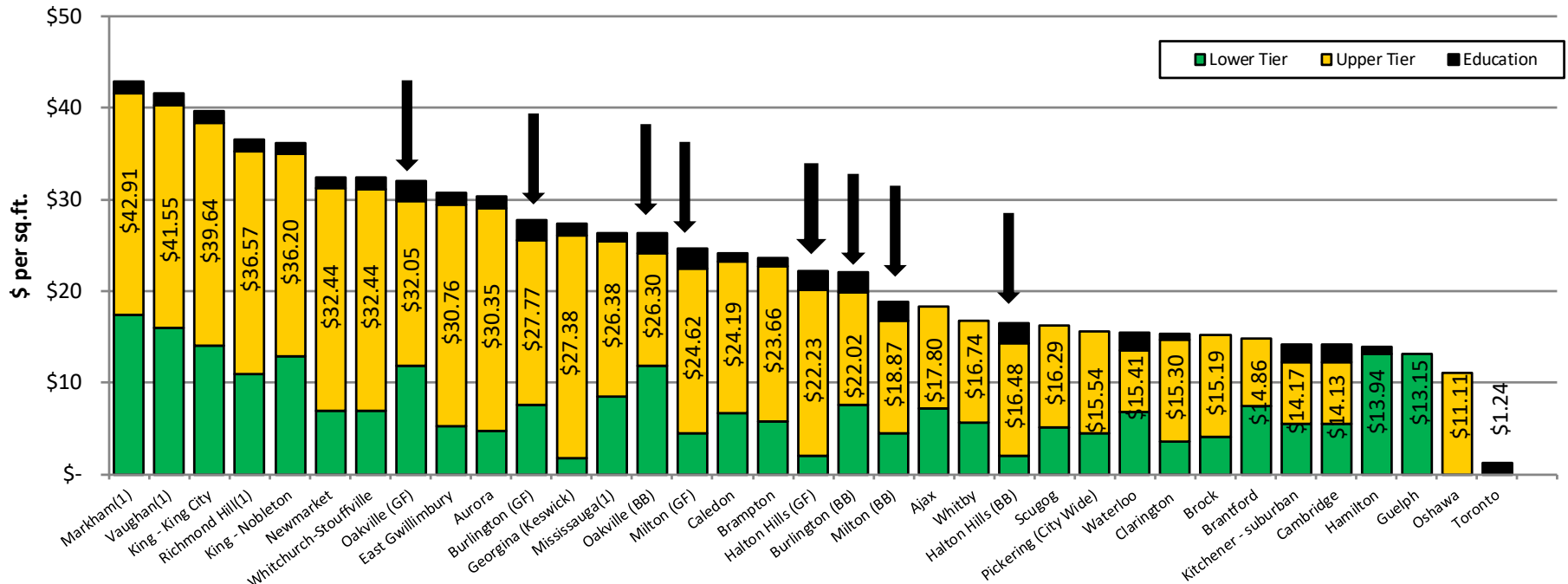
BB=Built Boundary & GF=Greenfield.

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

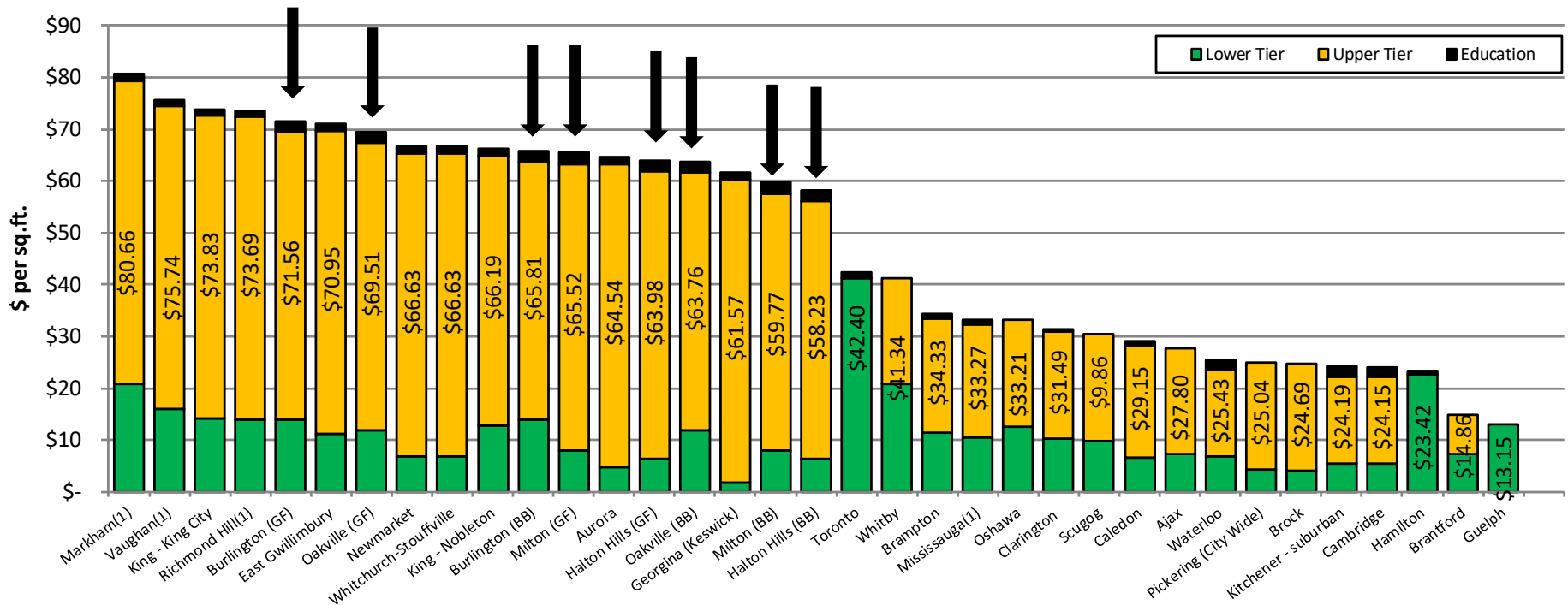


BB=Built Boundary & GF=Greenfield.

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.

3. 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
DC Review Process	1. DCAC Activity Update Report to Council	November 24, 2021
	2. Release DC Background Study to Public	December 15, 2021
Consultation	3. Public Meeting under the DC Act	February, 2022
	4. Final DC Proposals to Council	March, 2022
	5. Passing of DC By-law(s) by Council	April, 2022

Discussion