

2020 Development Charge By-law Update

Public Meeting

October 8, 2020

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Stephanie Nagel,
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Region of Peel
Adrian Smith,
Chief Planner and Director of Regional
Planning and Growth Management

Public Meeting Presentation (including by-law policies)

- Opening Remarks
- Growth Management
- D.C. Overview
- Presentation of the Proposed Policies and Charges
- Stakeholder Engagement
- Next Steps

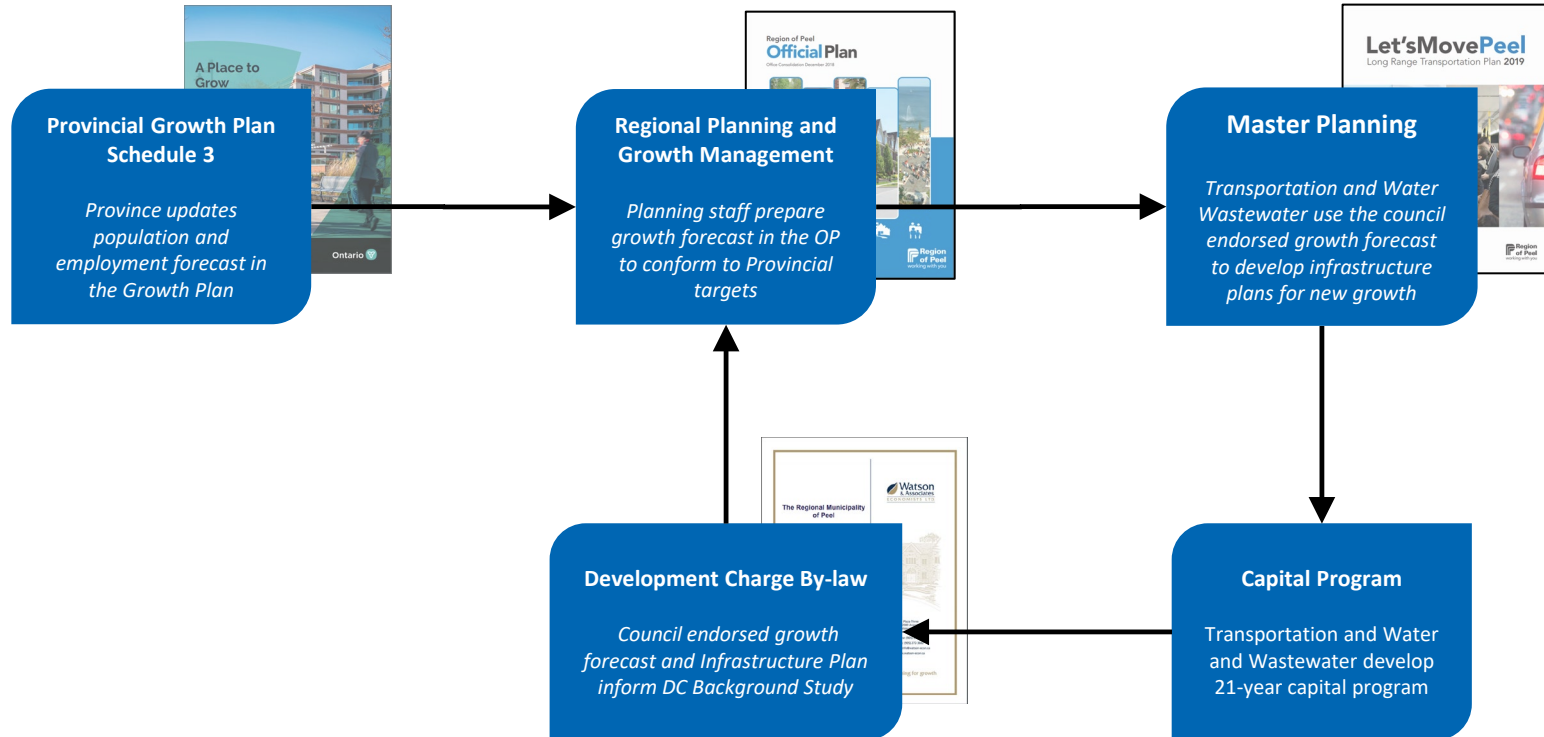
Presentations by the Public

Questions from Council

Public Meeting Purpose

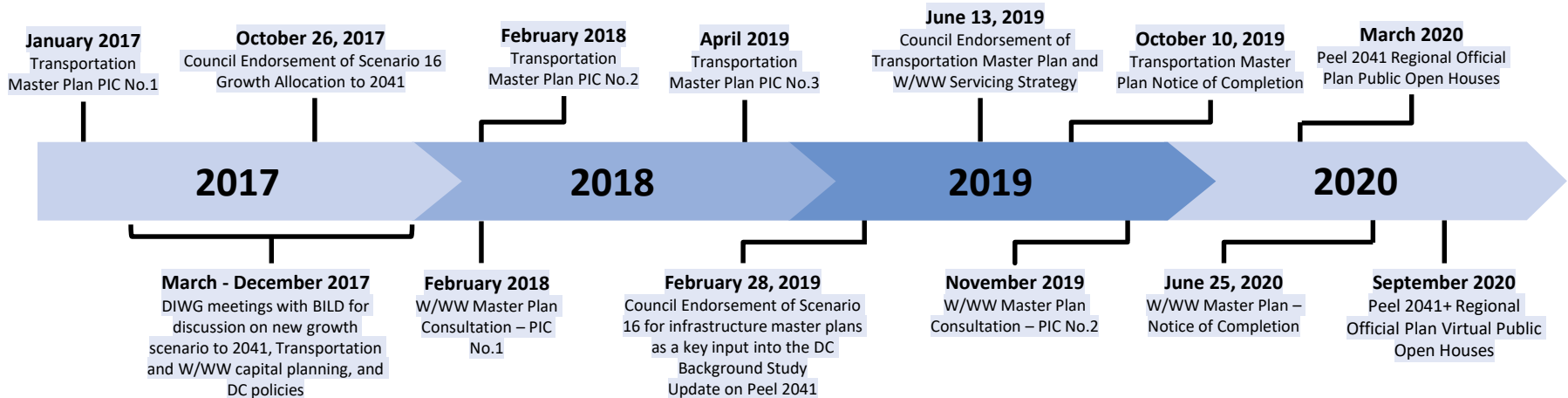
- ❑ The public meeting is to provide for a review of the D.C. proposal and to receive public input on the proposed policies and charges
- ❑ The meeting is a mandatory requirement under the Development Charges Act (D.C.A.)
- ❑ Prior to Council's consideration of a by-law, a background study must be prepared and available to the public a minimum 60 days prior to the D.C. by-law passage

Integrated Approach to Growth Management



Our Road Map to 2020

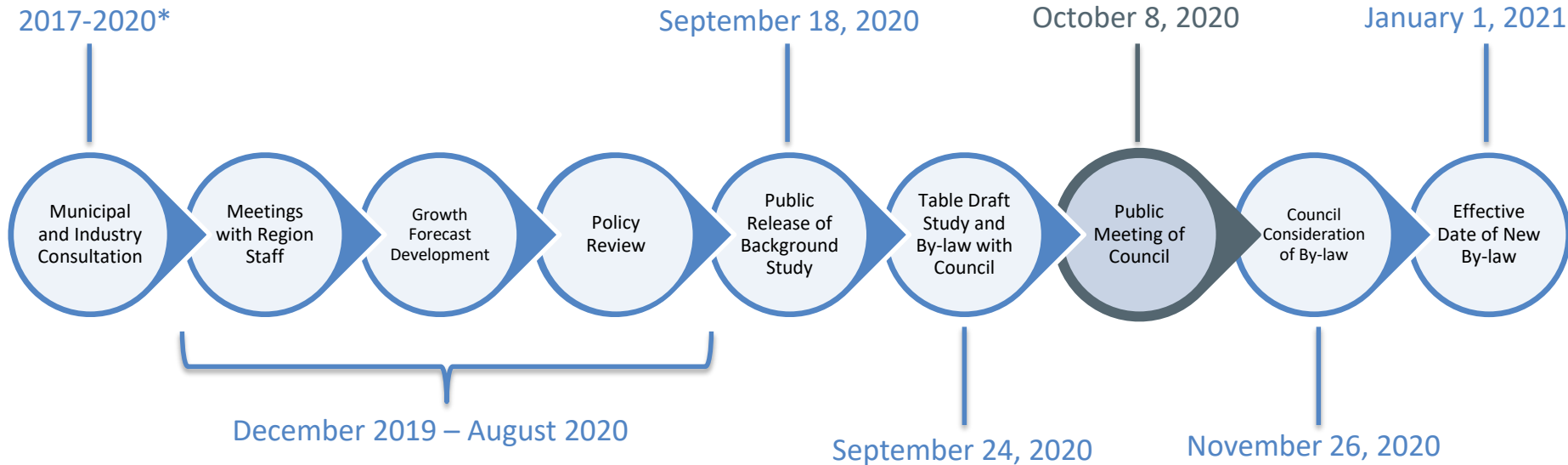
- Integrated and collaborative approach
- Municipal and industry working groups
- Public and stakeholder opportunity for input – planning, infrastructure and finances



Consultant Team

- ❑ The D.C. background study and by-law update process has been undertaken by **Watson & Associates Economists Ltd. (Watson)**, with assistance from Regional staff and the following consultants:
 - ❑ **G.M. BluePlan**
 - ❑ Water and wastewater capital program (based on recently completed master plans) and advice on related D.C. policies
 - ❑ **H.D.R.**
 - ❑ Analysis with respect to services related to a highway through the Region's *2017 Update of Intersection Improvements Study of Transportation Related Development Charge Eligible Expenditures* report
 - ❑ **I.B.I. Group**
 - ❑ Subsequent to the 2017 work undertaken by H.D.R., I.B.I. Group revised and updated the analysis for the purposes of the 2020 D.C. background study as well as provided advice on related D.C. policies

Timelines



**see next slide for further detail*

Timelines – 2017 to 2020

- ❑ Process to update D.C. began in 2017 along with stakeholder consultation
- ❑ 2015 D.C. by-law was appealed and the hearing occurred from May to October 2017
- ❑ Discussions with industry stakeholders were ongoing, however, final policy direction could not be provided as the Region was awaiting the L.P.A.T decision
- ❑ L.P.A.T. decision was not released until June 11, 2019
- ❑ D.C. meeting with stakeholders and the study process subsequently resumed

Development Charges (D.C.)

Purpose:

- 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.)

Overview of D.C.A. (simplified steps)

The following provides the overall methodology to calculating the charge:

1. Identify amount, type and location of growth
2. Identify servicing needs to accommodate growth
3. Identify capital costs to provide services to meet the needs
4. Deduct:
 - i. Grants, subsidies and other contributions
 - ii. Benefit to existing development
 - iii. ~~Statutory 10% deduction (soft services)~~ *Note: as per Bill 197, this is now removed*
 - iv. Amounts in excess of 10-year historical service calculation
 - v. D.C. Reserve funds (where applicable)
5. Net costs then allocated between residential and non-residential benefit
6. Net costs divided by growth to calculate the D.C. 5.1-10

Local Service Policies

- ❑ New section 59.1(1) and (2) of the Act “No Additional Levies” - prohibits municipalities from imposing additional payments or requiring construction of a service not authorized under the D.C.A. (updated as per Bill 73)
 - ❑ Due to Bill 73, “no additional levies” clause, a Local Service Policy is required to be developed and approved by Council, through the D.C. study process, to clearly define what developers would be required to do as part of their development agreements versus what would be included in the D.C.
- ❑ Subdivision Agreement Conditions - the Act provides coverage of such agreements to include “local services related to a plan of subdivision or within the area to which the plan relates”.
- ❑ Items to consider may include: collector & arterial roads, intersection improvements & traffic signals, streetlights & sidewalks, Bike Routes/Bike Lanes/Bike Paths/Multi-Use Trails/Naturalized Walkways, Noise Abatement Measures, Land dedications/easements, Water, Wastewater, Stormwater, and Park requirements.

Mandatory Exemptions:

- for industrial building expansions (may expand by 50% with no D.C.)
- Creation of additional dwelling units
- Upper/Lower Tier Governments and School Boards

Discretionary Exemptions:

- Reduce in part or whole D.C. for types of development or classes of development (e.g. industrial or churches)
- May phase-in over time
- Redevelopment credits to recognize what is being replaced on site (not specific in the Act but provided by case law)

Discretionary Exemptions for Peel

Current Exemptions:

- Hospitals;
- Land owned by a college or university and used only for the purposes of a college or university;
- Buildings/structures, limited to no more than one room, owned by a religious organization reserved for the conduct of group worship, services or rites;
- Land owned by an agricultural society and used only for the purposes of an agricultural society; and
- Mobile temporary sales trailers.

New Proposed Definition Change:

- Agricultural uses - excludes cannabis growing, processing, and packaging.

Proposed Changes to Existing Exemptions:

- Exemption for religious organization space (for worship, services, or rites) now limited to not more than 25% of total floor space of a new building or structure(as opposed to one room).

Apartment Definition Updates

- ❑ Changes have been suggested to the apartment definition to minimize confusion between townhome and apartment construction. This includes further defining what D.C. rates “stacked” and “back-to-back” townhomes would pay.
- ❑ **Recommendation:** “stacked” townhomes be defined as apartments and “back-to-back” townhomes be categorized as “other residential”. This approach is consistent with the way that Statistics Canada defines these units (the persons per unit data utilized in the growth forecast is based on Statistics Canada data).

Demolition Credit Time Limit Requirements

- ❑ To be consistent with best practices in other municipalities, including Peel’s local municipalities, the Region would like to add a time limit for demolition credits.

- ❑ **Existing Policy:** the Region does not provide a time limit with respect to the date of demolition to the date of redevelopment

- ❑ **Recommended policy:**
 - ❑ For demolition of *dwelling units* – the credit is available within 5 years from the date the demolition permit was issued
 - ❑ For demolition of *non-residential buildings/structures* – the credit is available within 10 years from the date the demolition permit was issued

Changes to D.C. Legislation Since 2015 D.C. Study

- ❑ **There were a number of changes to the D.C.A. since the completion of the previous background study. These changes were provided through:**
 - ❑ Bill 73: Smart Growth for our Communities Act, 2015
 - ❑ Bill 108/138: More Homes, More Choice Act
 - ❑ Bill 197: COVID-19 Economic Recovery Act

Impact of Bill 73 on Peel

- Consider impact of “no additional levies” in development process and on Local Service Policy
- Annual reporting requirements to conform to the new required format
- Ensure the background study is available at least 60 days prior to by-law passage
- Asset Management Plan required for all growth-related projects identified in the study
- Ability to collect for waste diversion services
- Consideration of area rating

Bill 108 (More Homes, More Choice Act, 2019)

- ❑ On May 2, 2019, the Province introduced Bill 108, which proposed changes to the D.C.A. The Bill received Royal Assent on June 6, 2019.

- ❑ The following provisions are effective as of January 1, 2020 and are being included in the Region's D.C. By-law as a result of Bill 108:
 - Rental housing and institutional developments will pay D.C.s in 6 equal annual payments
 - Non-profit housing developments will pay D.C.s in 21 equal annual payments.
 - Interest may be charged on the installments
 - The D.C. rate is frozen for Site Plan or Zoning By-law Amendment until 2 years after approval

- ❑ On July 9th, 2020, Regional Council approved the Development Charge Interest Rate Policy and enacted the By-law 21-2020 to establish interest rates and impose interest charges in accordance with section 26.1 and section 26.2 of the D.C.A.

Secondary Units in New Homes

- ❑ Bill 108 included revisions to the “Creation of Additional Dwelling Units” exemption detailed in the Regulations. These changes would allow the creation of additional dwelling units in new residential dwellings, rather than just in existing dwellings.

- ❑ **Recommendation:**
 - ❑ The Region’s by-law will reflect this change as required by Provincial legislation upon proclamation.

Bill 197(COVID-19 Economic Recovery Act, 2020)

The Province tabled legislation on July 8, 2020 in response to the COVID-19 global pandemic. Many changes proposed in Bill 108 have now been revised. All sections of Bill 197 were proclaimed on September 18, 2020. The following changes are provided in Bill 197:

- ❑ Eligible services: the list of eligible services has now been expanded. For Peel Region, all services currently provided in the D.C. study remain eligible.
- ❑ The mandatory 10% deduction is removed for all D.C.-eligible services (see Appendix G of the DC Background Study)
- ❑ C.B.C: eligible for lower-tier and single-tier municipalities but not upper-tier – limit 4% of market value of land

Growth Forecast Summary

The 2020 Development Charge forecast provides for the following growth:

Measure	10 Year	Longer-Term Region-wide	Longer-Term Water	Longer-Term Wastewater
	2020-2029	2020-2041	2020-2041	2020-2041
(Net) Population Increase	211,500	434,700	433,760	431,500
Residential Unit Increase	80,240	158,600	158,020	157,285
Non-Residential Gross Floor Area Increase (sq.m.)	6,213,200	12,554,800	12,554,800	12,554,800

Note: forecast based on growth scenario 16

Growth Forecast - PPU

Peel Region, New Housing Unit Persons Per Unit (PPU) Forecast, 2020-2041

Unit Type	2015 DC P.P.U.	2020 DC P.P.U.	Difference	%
	2015-2031	2020-2041		
Single and Semi-Detached	4.151	4.202	0.050	1.2%
Townhomes	3.397	3.328	-0.069	-2.0%
Large Apartment Units (= and >750 sq.ft.)	2.544	3.048	0.504	19.8%
Small Apartment Units (<750 sq.ft.)	1.677	1.612	-0.065	-3.9%

Note: PPUs have been adjusted for undercount

Calculated D.C. Rates – Residential

Program	RESIDENTIAL			
	Single and Semi-Detached Dwelling	Other Residential	Apartments (>750 sq.ft.)	Small Unit (<=750 sq.ft.)
Water Supply Services	22,392.53	17,734.97	16,242.84	8,590.38
Wastewater Services	23,371.54	18,510.35	16,952.99	8,965.95
Services Related to a Highway - Transportation	9,190.79	7,279.14	6,666.71	3,525.83
Sub-total Hard Services:	54,954.86	43,524.46	39,862.54	21,082.16
Public Works	272.88	216.12	197.94	104.68
Peel Regional Police Services	762.21	603.67	552.88	292.40
Growth Studies	229.12	181.46	166.20	87.90
Long Term Care	838.50	664.10	608.22	321.67
Public Health	-	-	-	-
Paramedics	223.05	176.66	161.79	85.57
Housing Services	3,264.77	2,585.71	2,368.17	1,252.45
Waste Diversion	367.13	290.77	266.31	140.84
Sub-total Soft Services:	5,957.67	4,718.49	4,321.51	2,285.51
TOTAL REGION OF PEEL	60,912.53	48,242.95	44,184.05	23,367.67
Town of Caledon				
Sub-total Hard Services:	54,954.86	43,524.46	39,862.54	21,082.16
Soft Service Rate Without Peel Regional Police	5,195.46	4,114.82	3,768.63	1,993.11
Police - O.P.P.	104.86	83.05	76.06	40.23
TOTAL CALEDON	60,255.18	47,722.33	43,707.23	23,115.50

Rate Comparison – Residential (Single-detached Units)

Residential (Single Detached) Comparison

Program	Current (amended) ¹	Calculated
Water Supply Services	28,627	22,393
Wastewater Services	11,809	23,372
Services Related to a Highway - Transportation	11,466	9,191
Sub-total Hard Services:	51,902	54,955
Public Works	N/A	273
Transhelp ²	4	
Peel Regional Police Services	427	762
Growth Studies	88	229
Long Term Care	162	839
Public Health	-	-
Paramedics	93	223
Social Housing ³	728	3,265
Shelters ³	106	
Waste Diversion	N/A	367
Sub-total Soft Services:	1,608	5,958
TOTAL REGION OF PEEL	53,510	60,913
Town of Caledon:		
Sub-total Hard Services:	51,902	54,955
Soft Service Rate Without Peel Regional Police	1,181	5,195
Police - O.P.P.	-	105
TOTAL CALEDON	53,083	60,255

¹Amended as per LPAT decision

²Transhelp is now combined with Public Works

³Social Housing and Shelters are now combined into Housing Services

Rate Comparison – Residential (Apartments & Small Units)

Residential (Apartments (>750 sq.ft.) Comparison

Program	Current (amended) ¹	Calculated
Water Supply Services	17,522	16,243
Wastewater Services	7,227	16,953
Services Related to a Highway - Transportation	7,018	6,667
Sub-total Hard Services:	31,767	39,863
Public Works	N/A	198
Transhelp ²	2	
Peel Regional Police Services	261	553
Growth Studies	54	166
Long Term Care	100	608
Public Health	-	-
Paramedics	58	162
Social Housing ³	445	2,368
Shelters ³	65	
Waste Diversion	N/A	266
Sub-total Soft Services:	985	4,322
TOTAL REGION OF PEEL	32,752	44,184
Town of Caledon:		
Sub-total Hard Services:	31,767	39,863
Soft Service Rate Without Peel Regional Police	724	3,769
Police - O.P.P.	-	76
TOTAL CALEDON	32,491	43,707

¹Amended as per LPAT decision

²Transhelp is now combined with Public Works

³Social Housing and Shelters are now combined into Housing Services

Residential (Small Units (<750 sq.ft.) Comparison

Program	Current (amended) ¹	Calculated
Water Supply Services	11,589	8,590
Wastewater Services	4,781	8,966
Services Related to a Highway - Transportation	4,641	3,526
Sub-total Hard Services:	21,011	21,082
Public Works	N/A	105
Transhelp ²	1	
Peel Regional Police Services	173	292
Growth Studies	35	88
Long Term Care	66	322
Public Health	-	-
Paramedics	38	86
Social Housing ³	294	1,252
Shelters ³	44	
Waste Diversion	N/A	141
Sub-total Soft Services:	651	2,286
TOTAL REGION OF PEEL	21,662	23,368
Town of Caledon:		
Sub-total Hard Services:	21,011	21,082
Soft Service Rate Without Peel Regional Police	478	1,993
Police - O.P.P.	-	40
TOTAL CALEDON	21,489	23,116

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Calculated D.C. Rates – Non-Residential

Program	NON-RESIDENTIAL	
	Industrial (per sq.m. of Gross Floor Area)	Non-Industrial (per sq.m. of Gross Floor Area)
Water Supply Services	76.19	76.19
Wastewater Services	79.01	79.01
Services Related to a Highway - Transportation	16.72	69.42
Sub-total Hard Services:	171.92	224.62
Public Works	1.10	1.10
Peel Regional Police Services	3.19	3.19
Growth Studies	0.93	0.93
Long Term Care	-	-
Public Health	-	-
Paramedics	0.90	0.90
Housing Services	-	-
Waste Diversion	0.19	0.19
Sub-total Soft Services:	6.31	6.31
TOTAL REGION OF PEEL	178.23	230.93
Town of Caledon		
Sub-total Hard Services:	171.92	224.62
Soft Service Rate Without Peel Regional Police	3.12	3.12
Police - O.P.P.	0.29	0.29
TOTAL CALEDON	175.33	228.03

Rate Comparison – Non-Residential

Industrial (per sq.m.) Comparison

Program	Current (amended) ¹	Calculated
Water Supply Services	88.17	76.19
Wastewater Services	41.95	79.01
Services Related to a Highway - Transportation	25.64	16.72
Sub-total Hard Services:	155.76	171.92
Public Works	N/A	1.10
Transhelp ²	-	-
Peel Regional Police Services	1.57	3.19
Growth Studies	0.44	0.93
Long Term Care	-	-
Public Health	-	-
Paramedics	-	0.90
Social Housing ³	-	-
Shelters ³	-	-
Waste Diversion	N/A	0.19
Sub-total Soft Services:	2.01	6.31
TOTAL REGION OF PEEL	157.77	178.23
Town of Caledon:		
Sub-total Hard Services:	155.76	171.92
Soft Service Rate Without Peel Regional Police	0.44	3.12
Police - O.P.P.	-	0.29
TOTAL CALEDON	156.20	175.33

¹Amended as per LPAT decision

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Non-Industrial (per sq.ft.) Comparison

Program	Current (amended) ¹	Calculated
Water Supply Services	88.17	76.19
Wastewater Services	41.95	79.01
Services Related to a Highway - Transportation	102.30	69.42
Sub-total Hard Services:	232.42	224.62
Public Works	N/A	1.10
Transhelp ²	-	-
Peel Regional Police Services	1.57	3.19
Growth Studies	0.44	0.93
Long Term Care	-	-
Public Health	-	-
Paramedics	-	0.90
Social Housing ³	-	-
Shelters ³	-	-
Waste Diversion	-	0.19
Sub-total Soft Services:	2.01	6.31
TOTAL REGION OF PEEL	234.43	230.93
Town of Caledon:		
Sub-total Hard Services:	232.42	224.62
Soft Service Rate Without Peel Regional Police	0.44	3.12
Police - O.P.P.	-	0.29
TOTAL CALEDON	232.86	228.03

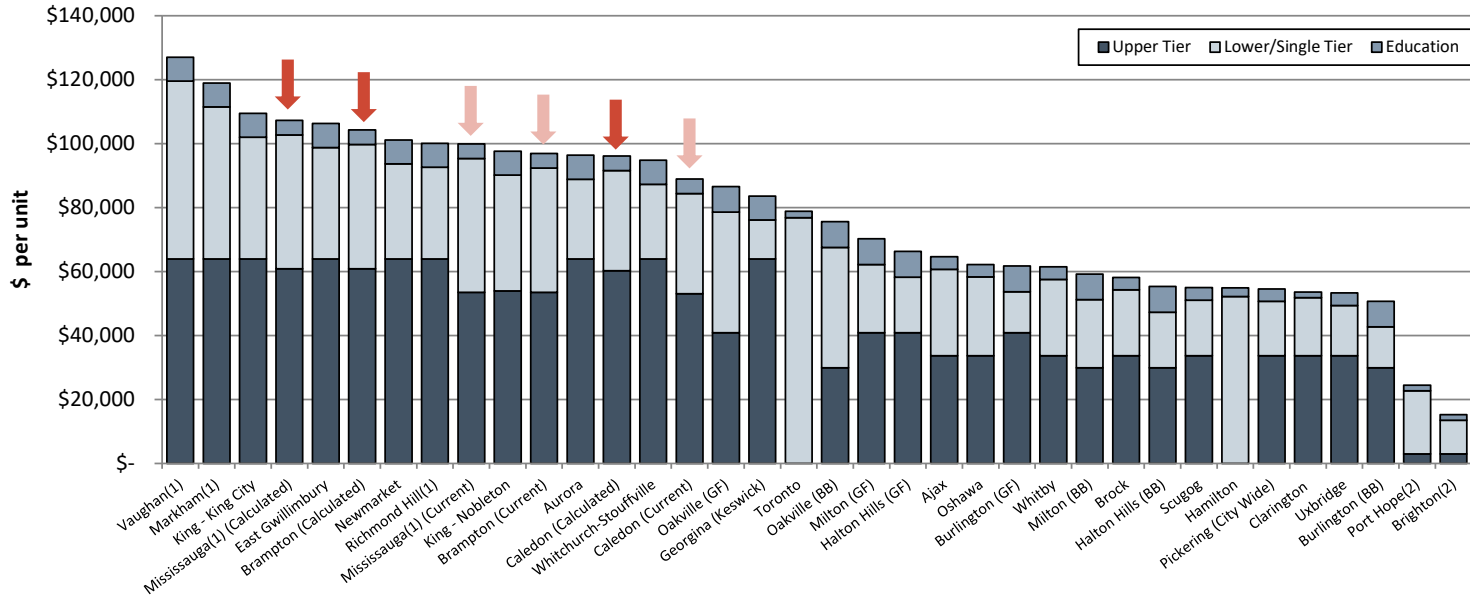
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Survey – Residential – Single Detached Dwelling

Residential Development Charges
 Per Single Detached Dwelling for Greater Toronto Area Municipalities
 as of September 17, 2020



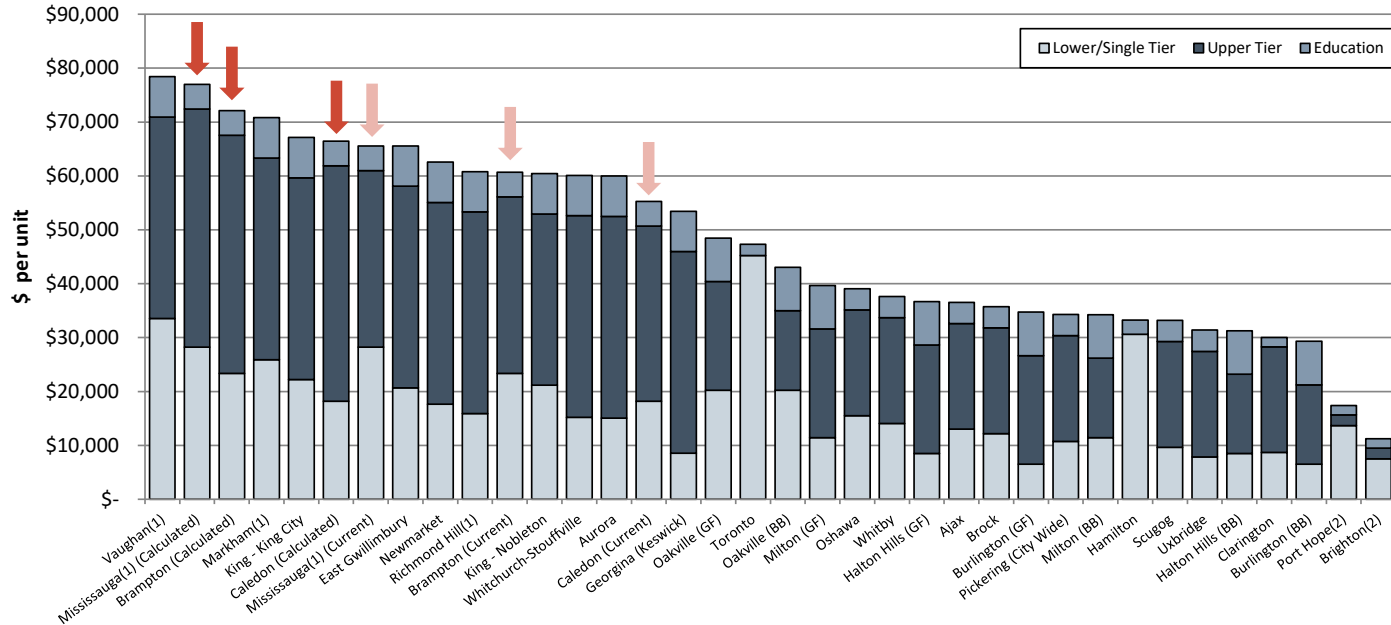
BB=Built Boundary & GF=Greenfield.

(1) A component of the charge has been converted from a per hectare charge

(2) Upper tier charges effective October 1, 2020.

Survey – Residential – Apartments (>750sq.ft.)

**Residential Development Charges
Per Apartment for Greater Toronto Area Municipalities
as of September 17, 2020**



BB=Built Boundary & GF=Greenfield.

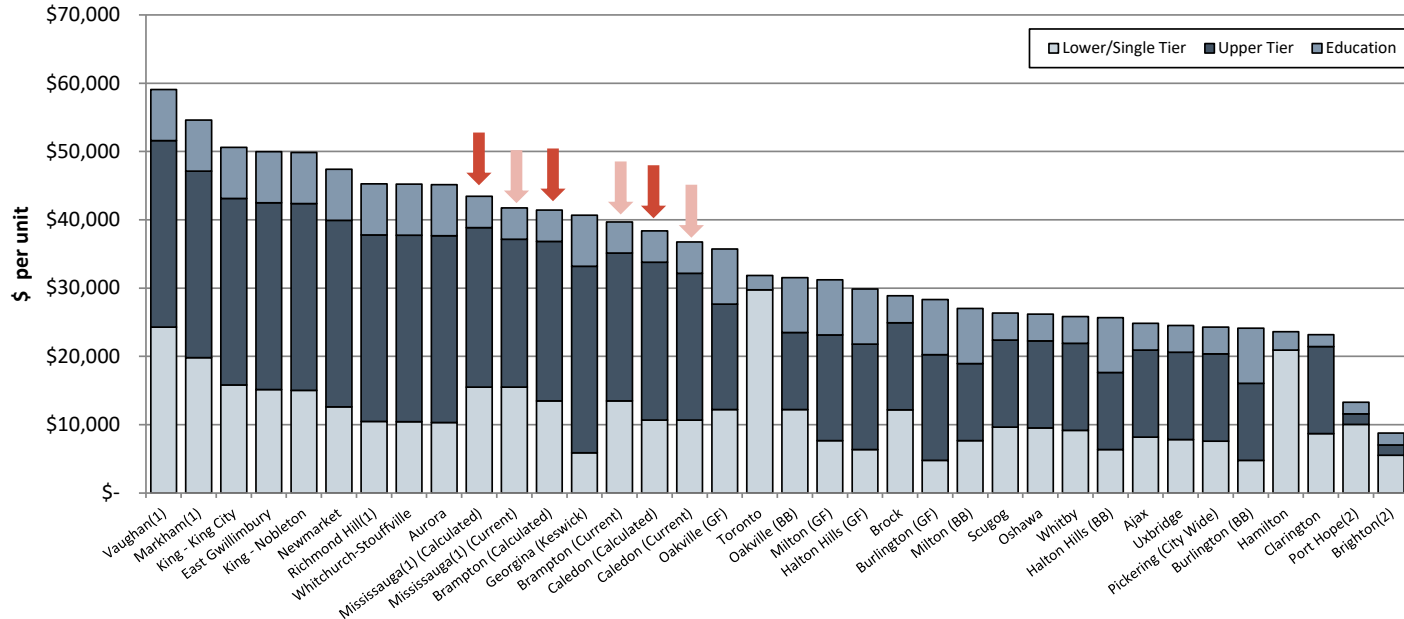
(1) A component of the charge has been converted from a per hectare charge

(2) Upper tier charges effective October 1, 2020.

Note: Apartment is defined in this survey as an 800 sq.ft., 2 bedroom apartment as various municipalities define apartment categories differently

Survey – Residential – Small Units (<=750 sq.ft.)

Residential Development Charges
Per Small Units for Greater Toronto Area Municipalities
as of September 17, 2020



BB=Built Boundary & GF=Greenfield.

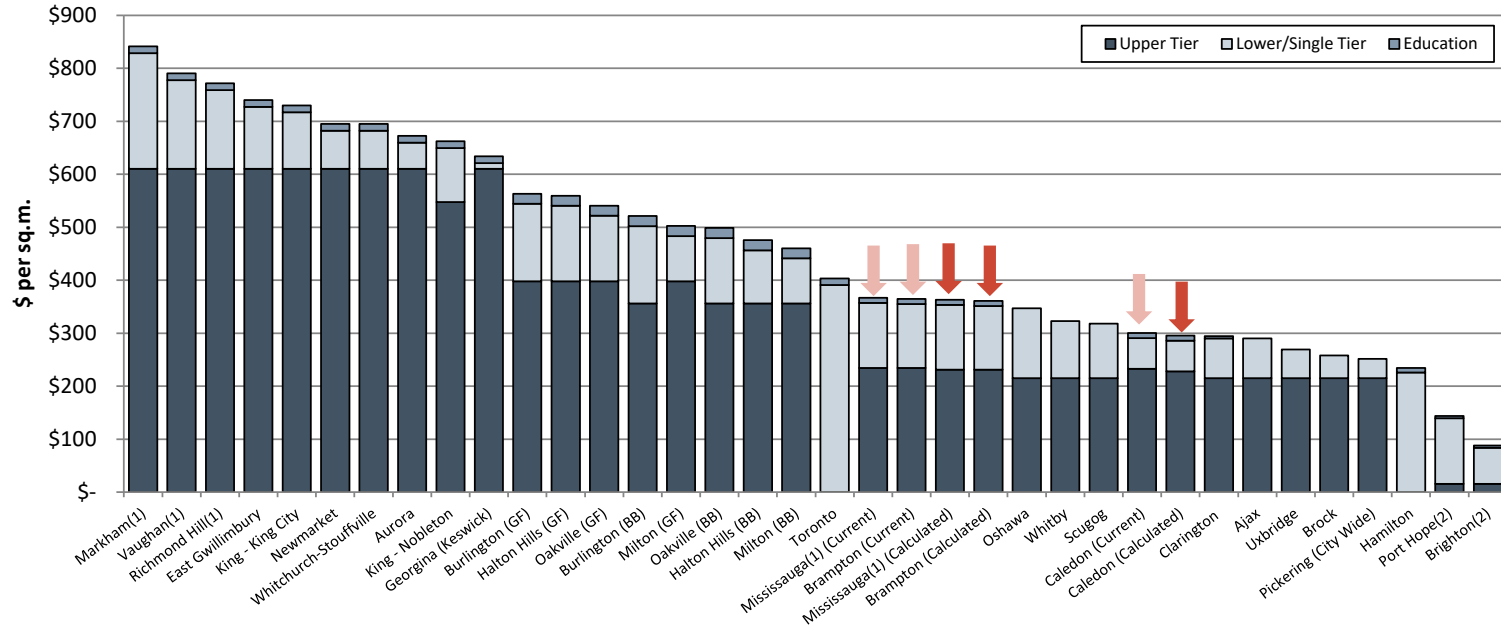
(1) A component of the charge has been converted from a per hectare charge

(2) Upper tier charges effective October 1, 2020.

Note: Small unit in this survey is defined as a 1 bedroom, 600 sq.ft. apartment as various municipalities define small unit categories differently

Survey – Non-Residential (Non-Industrial)

Non-Residential Development Charges
Per GFA of Non-Industrial Floor Area for Greater Toronto Area Municipalities
as of September 17, 2020



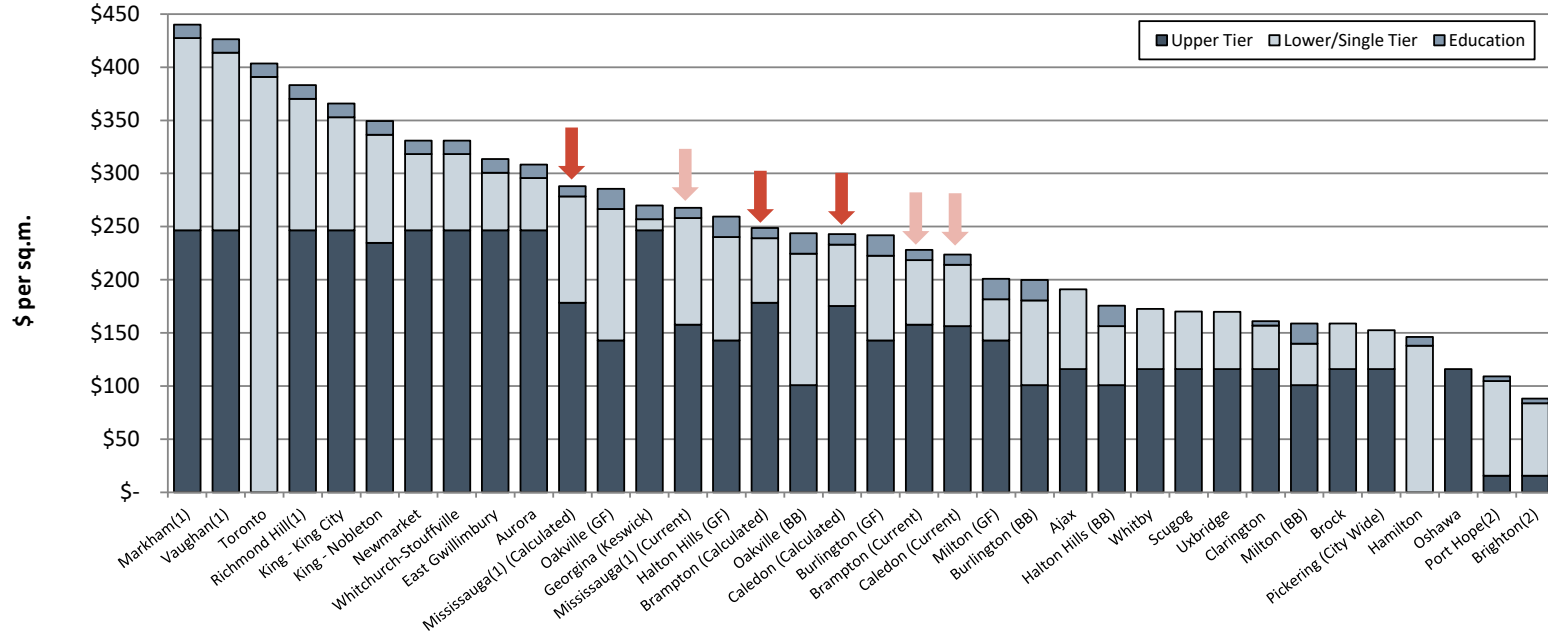
BB=Built Boundary & GF=Greenfield.

(1) A component of the charge has been converted from a per hectare charge.

(2) Upper tier charges effective October 1, 2020

Survey – Non-Residential (Industrial)

Non-Residential Development Charges
Per GFA of Industrial Floor Area for Greater Toronto Area Municipalities
as of September 17, 2020

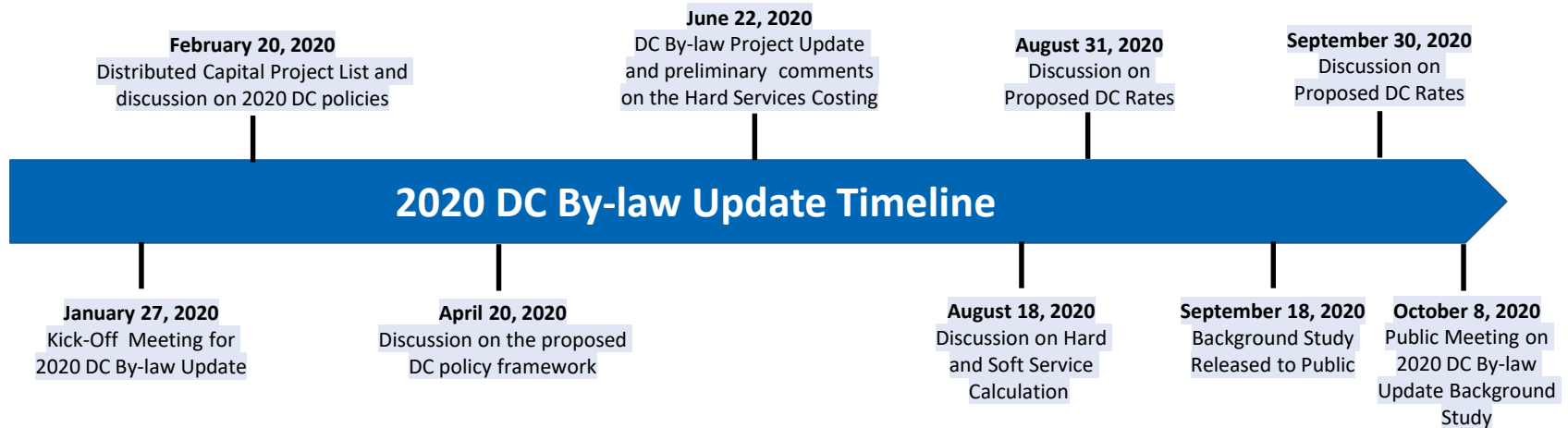


BB=Built Boundary & GF=Greenfield.

(1) A component of the charge has been converted from a per hectare charge

(2) Upper tier charges effective October 1, 2020

2020 Development Industry Engagement Process



*This Timeline does not include the Region's engagement at BILT meetings

Next Steps and Planned Key Milestones

- ❑ October 8, 2020: Public Meeting (Today)
- ❑ October 8 – November 26: Continue Engagement with Development Community
- ❑ November 26, 2020: Anticipated Passage of the 2020 DC By-law
- ❑ January 1, 2021: Anticipated Effective Date of the new DC By-law
- ❑ January 24, 2021: Expiration of the current 2015 DC By-law (unless repealed by Council at an earlier date).

Concluding Remarks and Questions

□ Public Presentation

□ Questions from Council

For further information, please contact:

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