

City of Clarence-Rockland Development Charges Study Statutory Public Meeting



Tuesday, October 22, 2019

HEMSON
Consulting Ltd.



Purpose of Today's Meeting

- Statutory **Public Meeting** required by Section 12 of the *Development Charges Act*
- Primary purpose is to provide the public with an opportunity to make representation on the proposed 2019 Development Charges Background Study and By-law
- DC Background Study was made publically available on **September 18th, 2019**
- Proposed 2019 By-law was made publically available on **October 8th, 2019**

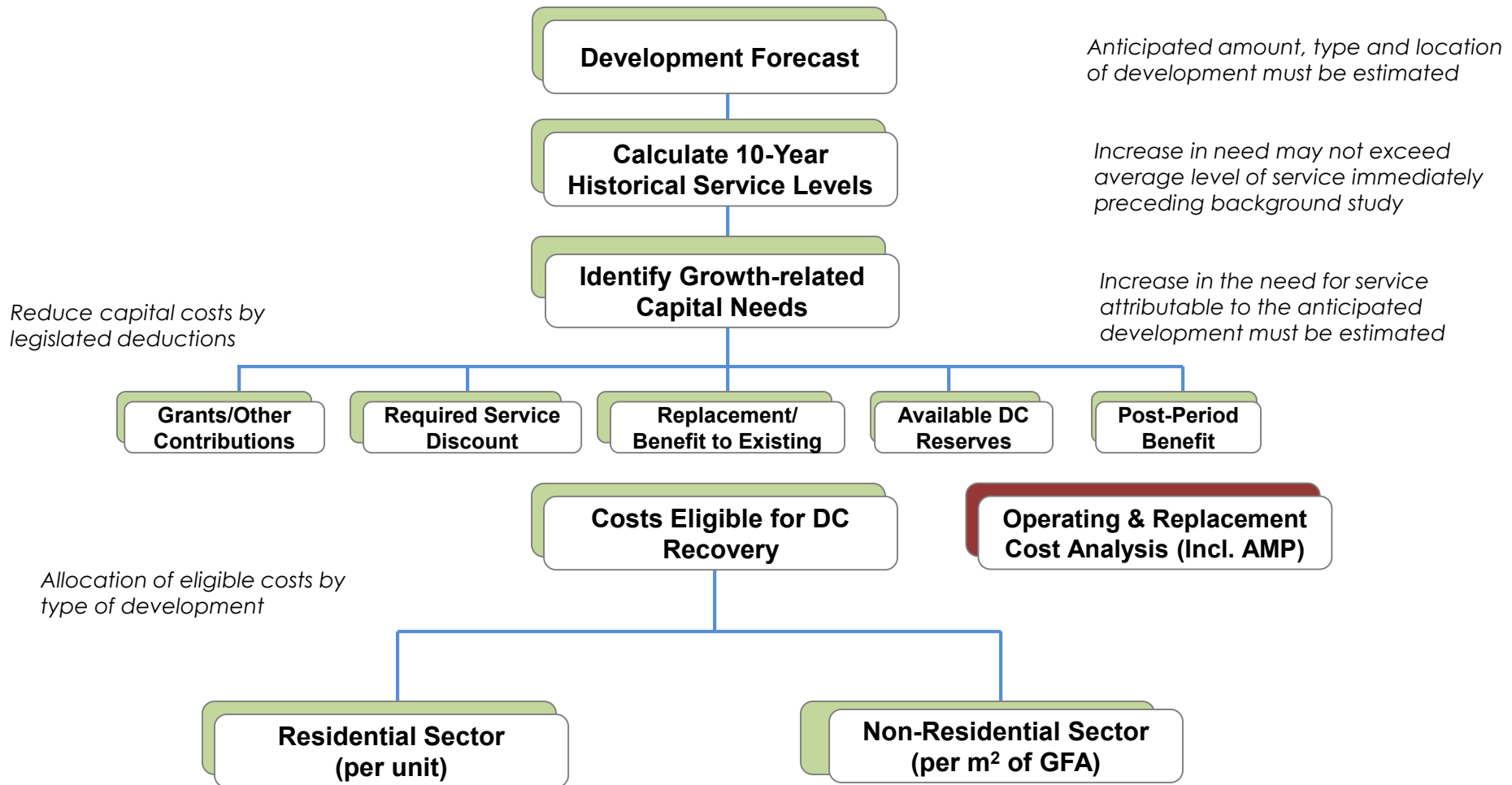
Today We Will Discuss

- Background
- Bill 108: *More Homes, More Choice Act, 2019*
- Development Forecast
- Summary of Development-Related Capital Programs
- Calculated Rates
- Next Steps

Background

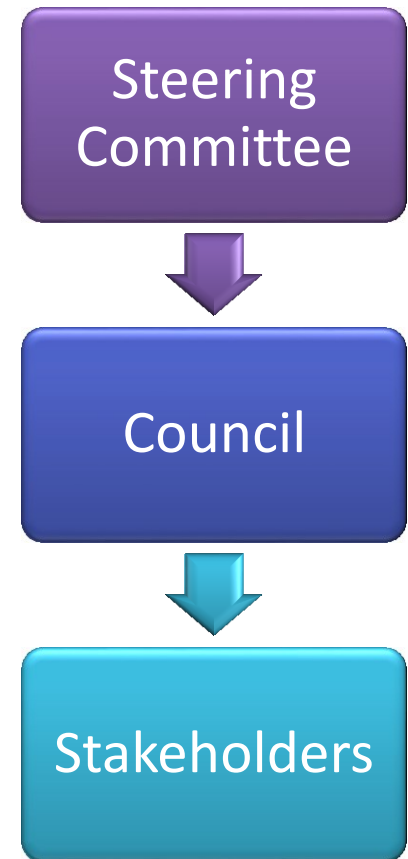
- Council passed Development Charge (DC) By-law 2015-13 which came into force on February 1st, 2015 that imposes DC rates for eligible City services
 - By-law's five year life expires on February 1st, 2020
- City must pass new a by-law before expiry date in order to continue collecting DCs

Overview of Study Process



Stakeholder Consultation

- Meetings with industry stakeholders have been held prior to the release of the 2019 DC Background Study
 - Provided opportunity to address issues/concerns early on in the process
 - Enhances communication and transparency
- Key inputs of the DC Study (i.e. forecast, service levels, capital programs etc.) were provided to stakeholders in advance of study release.
- These meetings were in addition to the statutory public meeting



Bill 108:

More Homes, More Choice Act, 2019

- Received Royal Assent on June 6th 2019
- Proposed changes to the *Development Charges Act, 1997* (DCA) and DC Regulations
 - Exempting secondary suites from DCs in new construction
 - DC rates payable at different times
 - Soft DC services to be collected through a Community Benefits By-law
- Full DCA Regulations still to be released
- City to continue collection of “discounted” services as per existing by-law

City's Eligible Services

- “Soft” or “Discounted” Services will no longer form part of DCA:
 - Library Services
 - Daycare Services
 - Parks and Recreation
 - By-law Services
 - General Government (partially)
- “Hard” or “Non-Discounted” Services to remain in City's 2019 DC By-law:
 - Fire Services
 - Services Related to a Highway:
 - Public Works
 - Roads and Related
 - Waterworks
 - Sanitary Sewage

Proposed Services Eligible for Recovery

- Only hard (i.e. 100% cost recovery) services will remain under the *DC Act* authority
- Waste Diversion and Ambulance would move from 90% recovery service to 100% and will remain eligible
- “Soft” services have been entirely removed from the *DC Act* framework
- New authority proposed under *Planning Act* would allow municipalities to charge for community benefits such as libraries and recreation
 - Community Benefits Charge (CBC) essentially becomes vehicle for funding soft services growth-related infrastructure

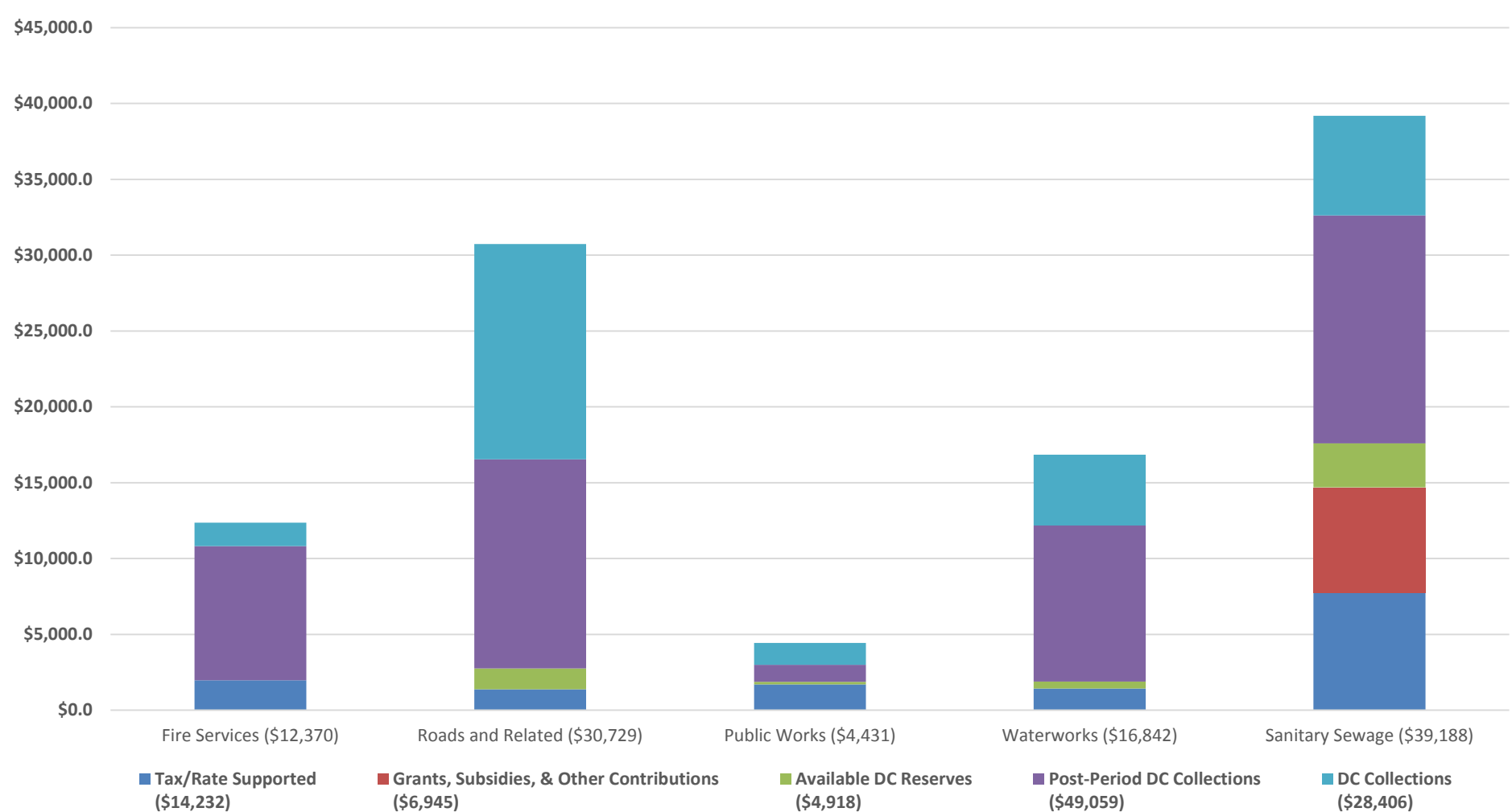
Development Forecast

- Historical service levels based on:
 - 2009 to 2018
- Capital planning periods:
 - All Services 2019 – 2028
- 10-year and build-out unit forecast based on information provided by Planning staff

Forecast Summary

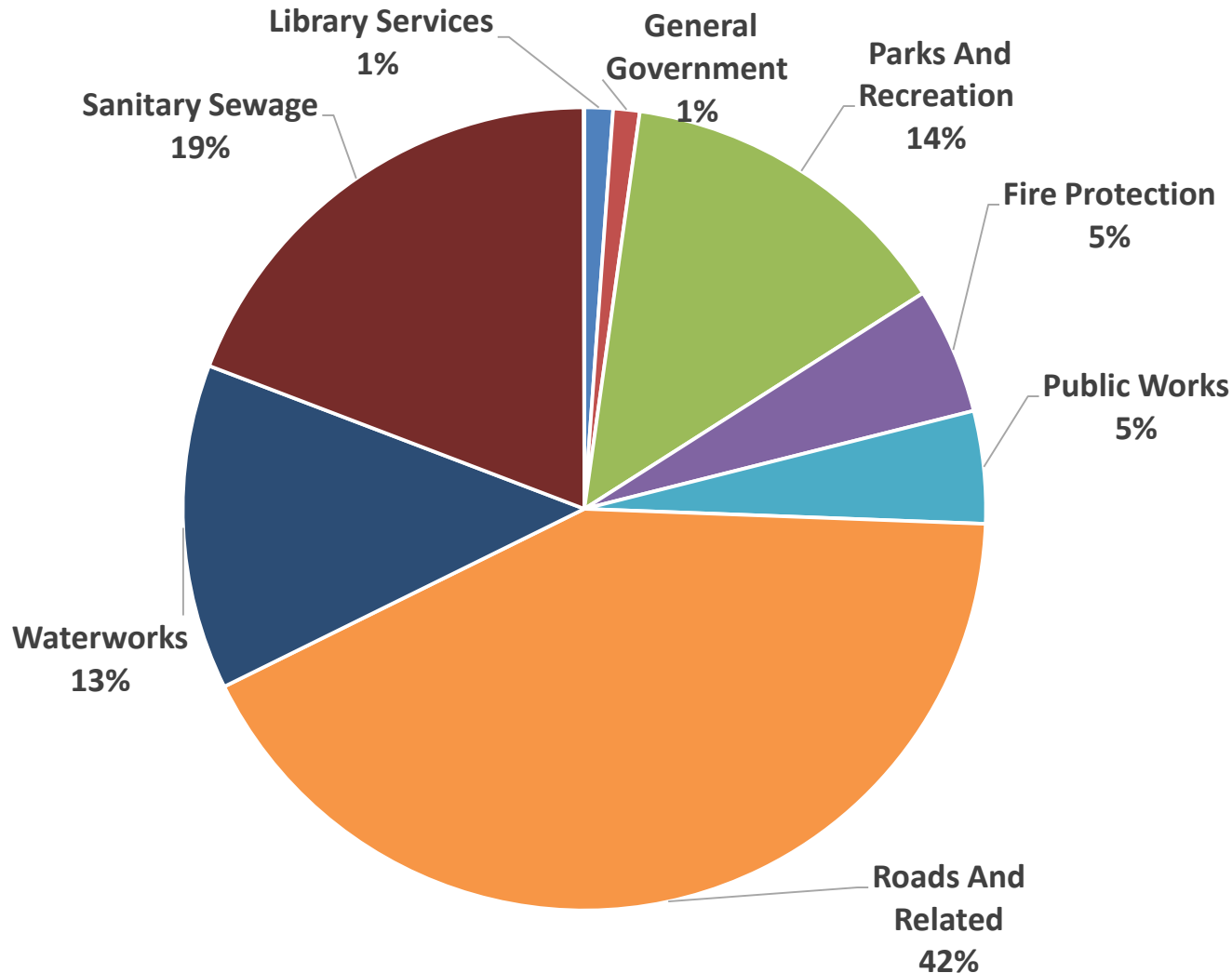
City-wide Development Forecast	2018 Estimate	10-Year Planning Period 2019 - 2028	
		Growth	Total at 2028
Residential			
Total Occupied Dwellings	9,711	1,806	11,517
Total Population			
Census	25,516	4,313	29,829
<i>Population In New Dwellings</i>		4,507	
Non-Residential			
Employment	5,293	610	5,903
Non-Residential Building Space (sq.m.)		30,500	

Gross Program Cost = \$103.6 Million



*Note: Summary of Capital Program only relates to non-discounted services considered under this study
DC Collections are represented over a 10-year period*

Calculated Maximum Allowable City-wide Residential DC Rate (Urban)



Residential Charges / Unit*

Single & Semi
\$19,911

Rows/Multiples
\$15,017

Apartments
\$10,829

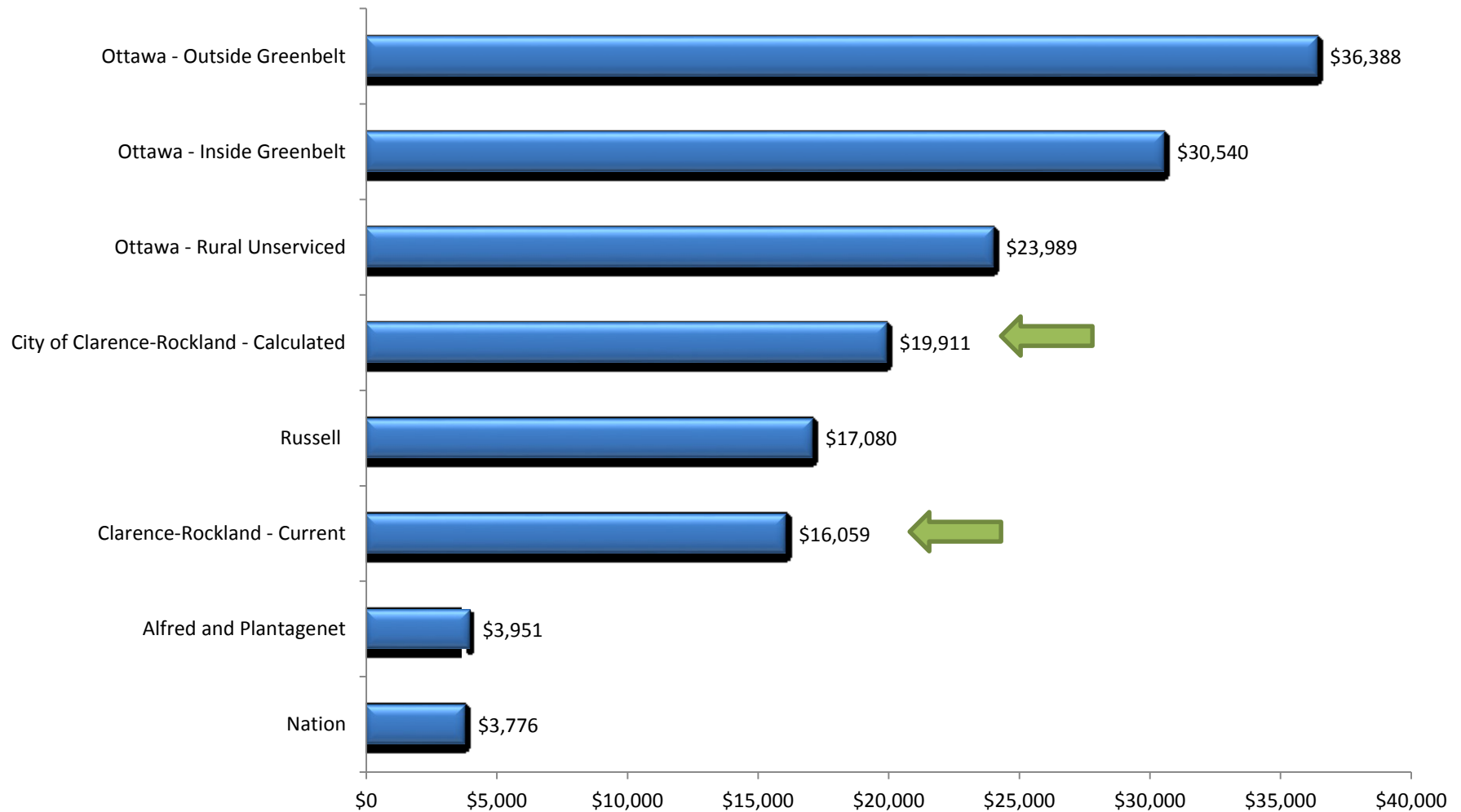
* Includes discounted Service charges as presented in By-law 2015-13

Current vs. Calculated City-wide Single/Semi Detached Unit (Urban)

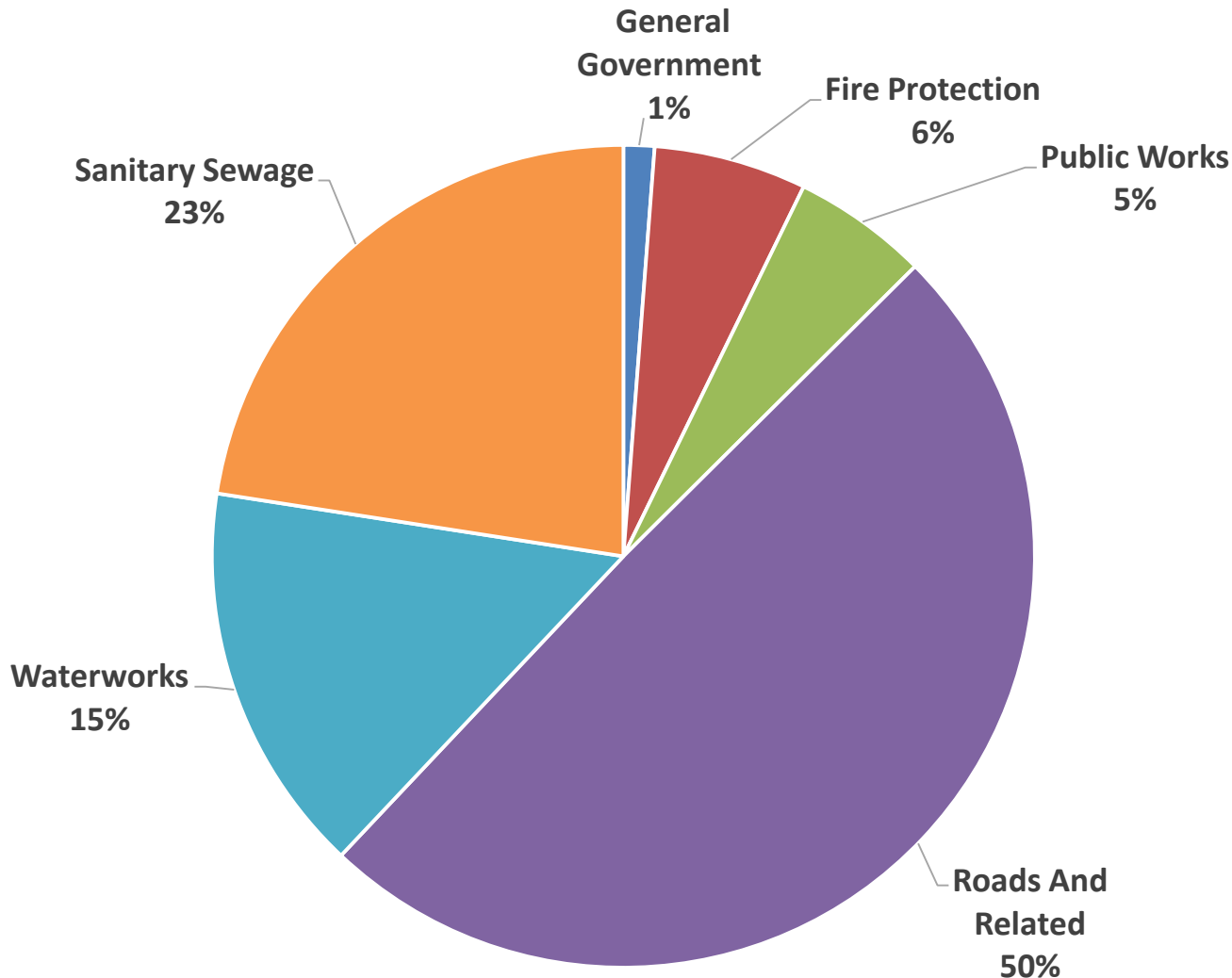
Service	Current Residential Charge / SDU	Calculated Residential Charge / SDU	Difference in Charge	
Discounted Services*				
Library Services	\$228	\$228	\$0	0%
General Government	\$212	\$212	\$0	0%
Parks And Recreation	\$2,739	\$2,739	\$0	0%
By-Law Enforcement	\$5	\$5	\$0	0%
Subtotal Discounted Services*	\$3,184	\$3,184	\$0	0%
Transit and Protection Services				
Transit	\$135	\$0	(\$135)	(100%)
Fire Protection	\$944	\$1,016	\$72	8%
Services Related to a Highway				
Public Works	\$861	\$901	\$40	5%
Roads And Related	\$3,920	\$8,384	\$4,464	114%
Services Rel. to a Highway Charge Per Unit	\$4,781	\$9,285	\$4,504	94%
Engineered Services				
Waterworks	\$1,048	\$2,608	\$1,560	149%
Sanitary Sewage	\$5,967	\$3,818	(\$2,149)	-36%
TOTAL RESIDENTIAL CHARGE BY UNIT TYPE (fully serviced)	\$16,059	\$19,911	\$3,852	24%

* As presented in By-law 2015-13 (indexed to current dollar) as permissible under Bill 108

Residential Rate Comparison \$/SDU



Calculated Maximum Allowable City-wide Non-Residential DC Rate (Urban)



**Non-Residential
Charge
(\$/sq.m)***

\$119.08

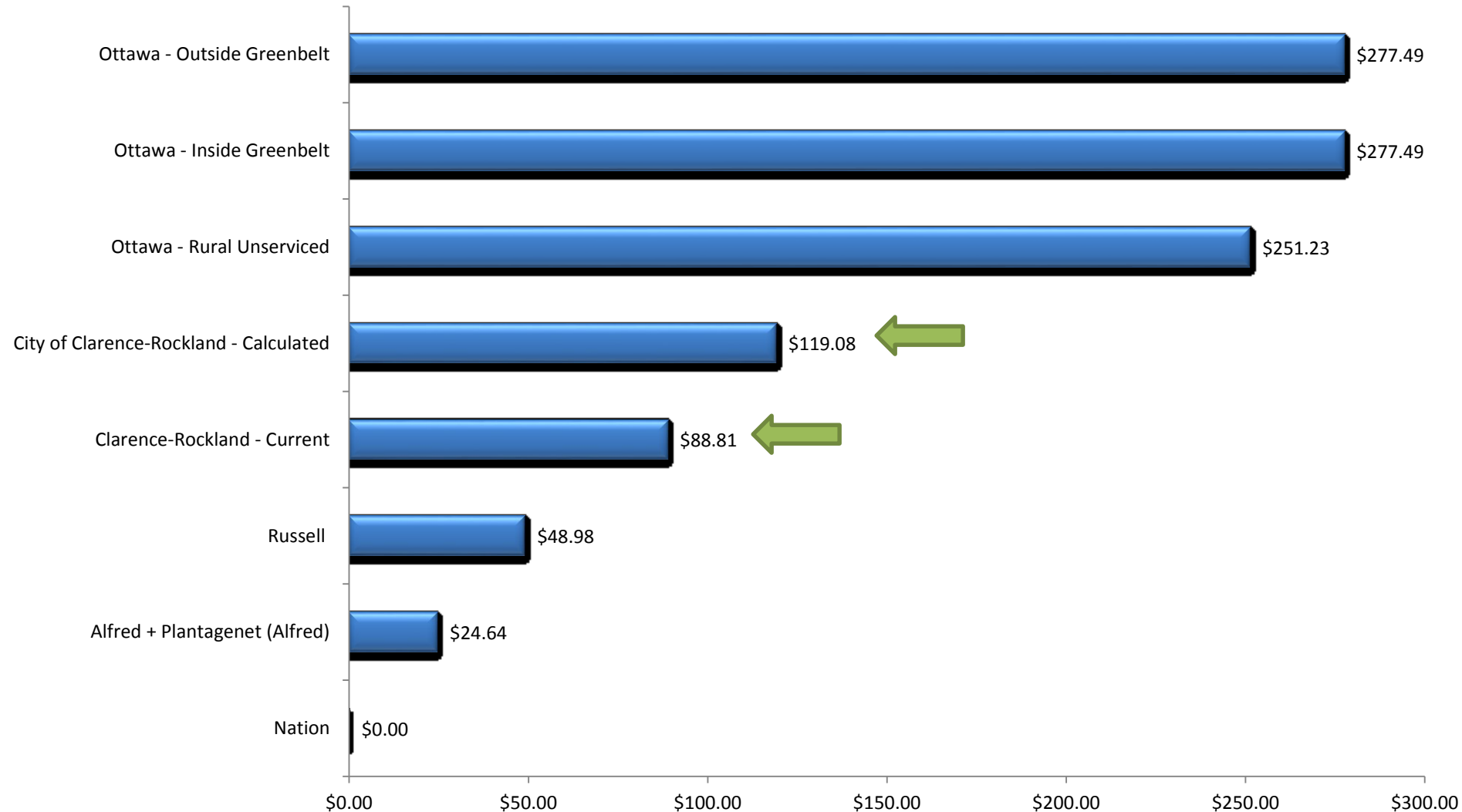
* Includes discounted
Service charges as
presented in By-law
2015-13

Current vs. Calculated City-wide Non-Residential Charge per m²

Service	Current Non-Residential Charge / Sq.m	Calculated Non-Residential Charge / Sq.m	Difference in Charge	
Discounted Services*				
Library Services	\$0.00	\$0.00	\$0.00	0%
General Government	\$1.45	\$1.45	\$0.00	0%
Parks And Recreation	\$0.00	\$0.00	\$0.00	0%
By-Law Enforcement	\$0.02	\$0.02	\$0.00	0%
Subtotal Discounted Services*	\$1.47	\$1.47	\$0.00	0%
Transit and Protection Services				
Transit	\$0.91	\$0.00	(\$0.91)	(100%)
Fire Protection	\$6.41	\$7.15	\$0.74	12%
Services Related to a Highway				
Public Works	\$5.85	\$6.34	\$0.49	8%
Roads And Related	\$26.60	\$58.92	\$32.32	122%
Services Rel. to a Highway Charge Per sq.m	\$32.45	\$65.26	\$32.81	101%
Engineered Services				
Waterworks	\$7.12	\$18.35	\$11.23	158%
Sanitary Sewage	\$40.44	\$26.85	(\$13.59)	-34%
TOTAL NON-RESIDENTIAL CHARGE PER SQ M (fully serviced)	\$88.81	\$119.08	\$30.27	34%

* As presented in By-law 2015-13 (indexed to current dollar) as permissible under Bill 108

Non-Residential Rate Comparison \$/Square Metre



Key DC By-law Policy Changes

- Included a definition for “non-profit housing”
- 50% reduction of DCs for non-profit housing
- 2019 DC By-law only includes non-discounted service rates.
 - Current by-law to continue to be in-force for discounted services

Implementation Options

1. Fully-calculated non-discounted rates come into force February 1, 2020
2. Phase-in rates over a three to five year period (loss of revenue to be made up from other sources – property taxes/utility rates)
 - Foregone DC revenue cannot be made up by way of higher DCs.

Next Steps

- **October 22 (Today)**
 - Statutory Public Meeting
- Respond to written submissions and continue dialogue with development industry
- **November 18** - Target date for Council consideration of DC By-law
- Statutory notice requirements