



# Township of Puslinch Development Charges Background Study

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Public Meeting

June 19, 2019

# Introduction



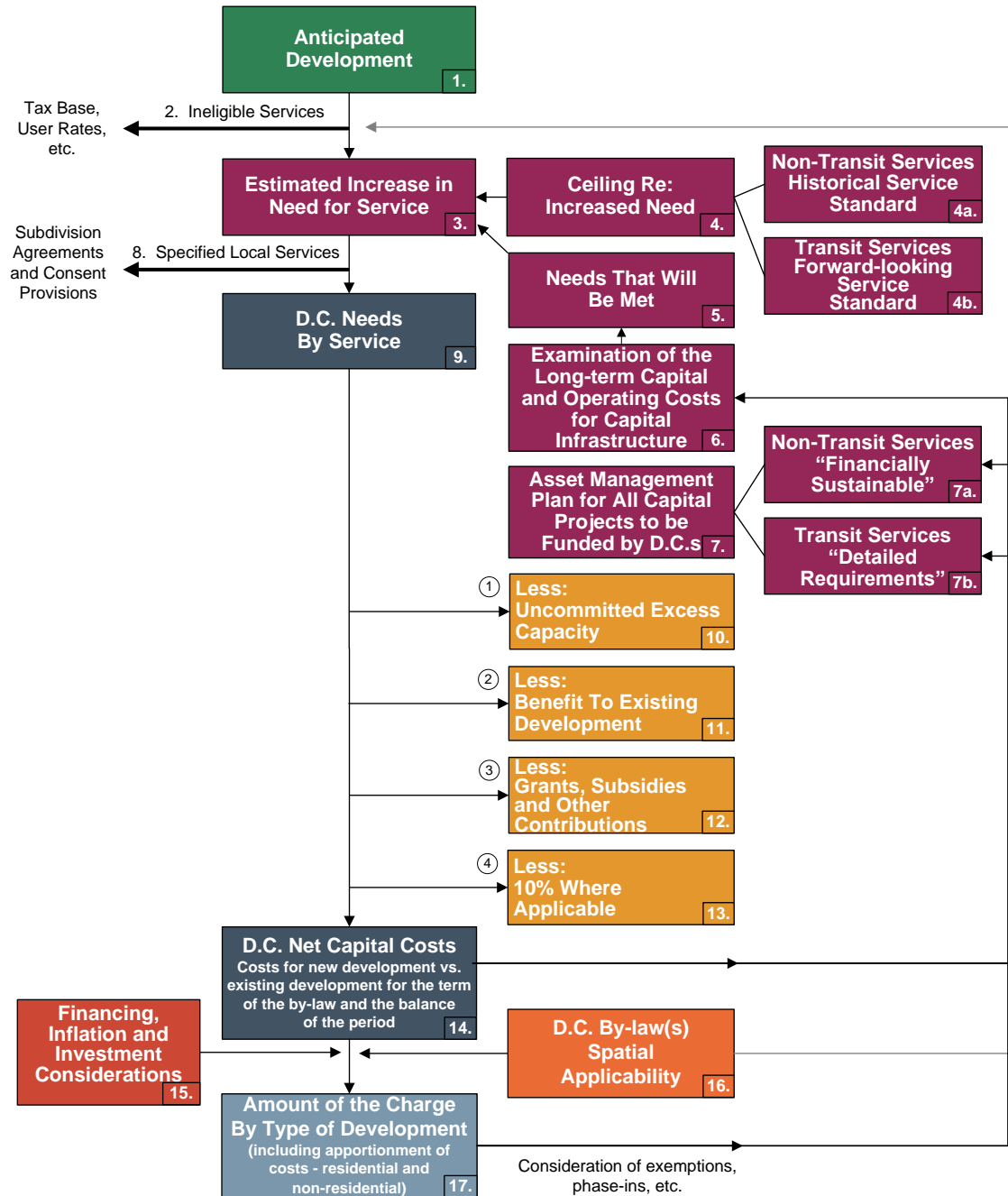
- Township of Puslinch's Development Charges (D.C.) By-Law 054/14, came into effect on September 3, 2014
- Under the requirements of the Development Charges Act (D.C.A.), a D.C. by-law expires 5 years after the date it came into effect
- Prior to Council's consideration of a by-law, a background study must be prepared and available to the public a minimum of 2 weeks prior to a public meeting, and provided on the Township's website 60 days prior to by-law passage
- This meeting is a mandatory requirement under the D.C.A. to provide a review of the D.C. proposal and to receive public input on the proposed policies and charges

# Development Charges



- Purpose of D.C.s is to recover the capital costs associated with residential and non-residential growth within the municipality
- The capital costs are in addition to what costs would normally be constructed as part of a subdivision (i.e. internal roads, watermains, roads, sidewalks, streetlights, etc.)
- Municipalities are empowered to impose these charges via the *Development Charges Act* (D.C.A.)

# The Process of Calculating a Development Charge under the Act that must be followed



# Growth Forecast



- Growth forecast has been prepared for the 10-year period (2019-2029) and 20-year period (2019-2039).

Time Horizon	Residential		Non-Residential	
	Net Population	Residential Units	Employment <sup>1</sup>	Sq.Ft. of GFA
Mid-2019	7,714	2,854	4,454	
Mid-2029	8,909	3,285	4,786	
Mid-2039	9,180	3,409	5,146	
Incremental Change				
10-year (2019-2029)	1,195	431	332	354,300
20-year (2019-2039)	1,466	555	692	753,700

# Increase in Need for Service

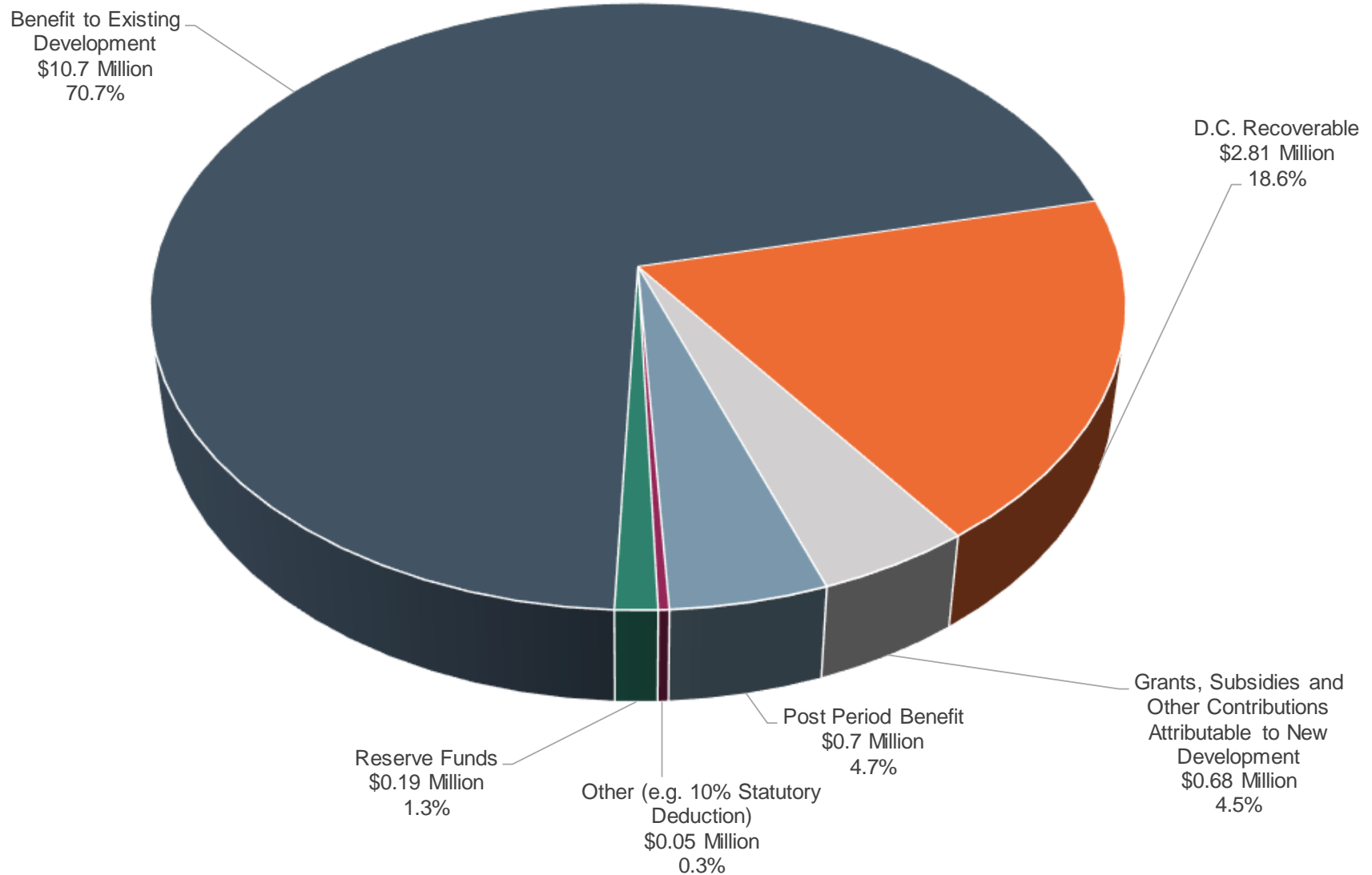


- Municipal-Wide Services (10-Year Forecast Period)
  - Roads and Related Services
  - Fire Services
  - Parks and Recreation (indoor recreation, parks and trails development)
  - Administration – Studies



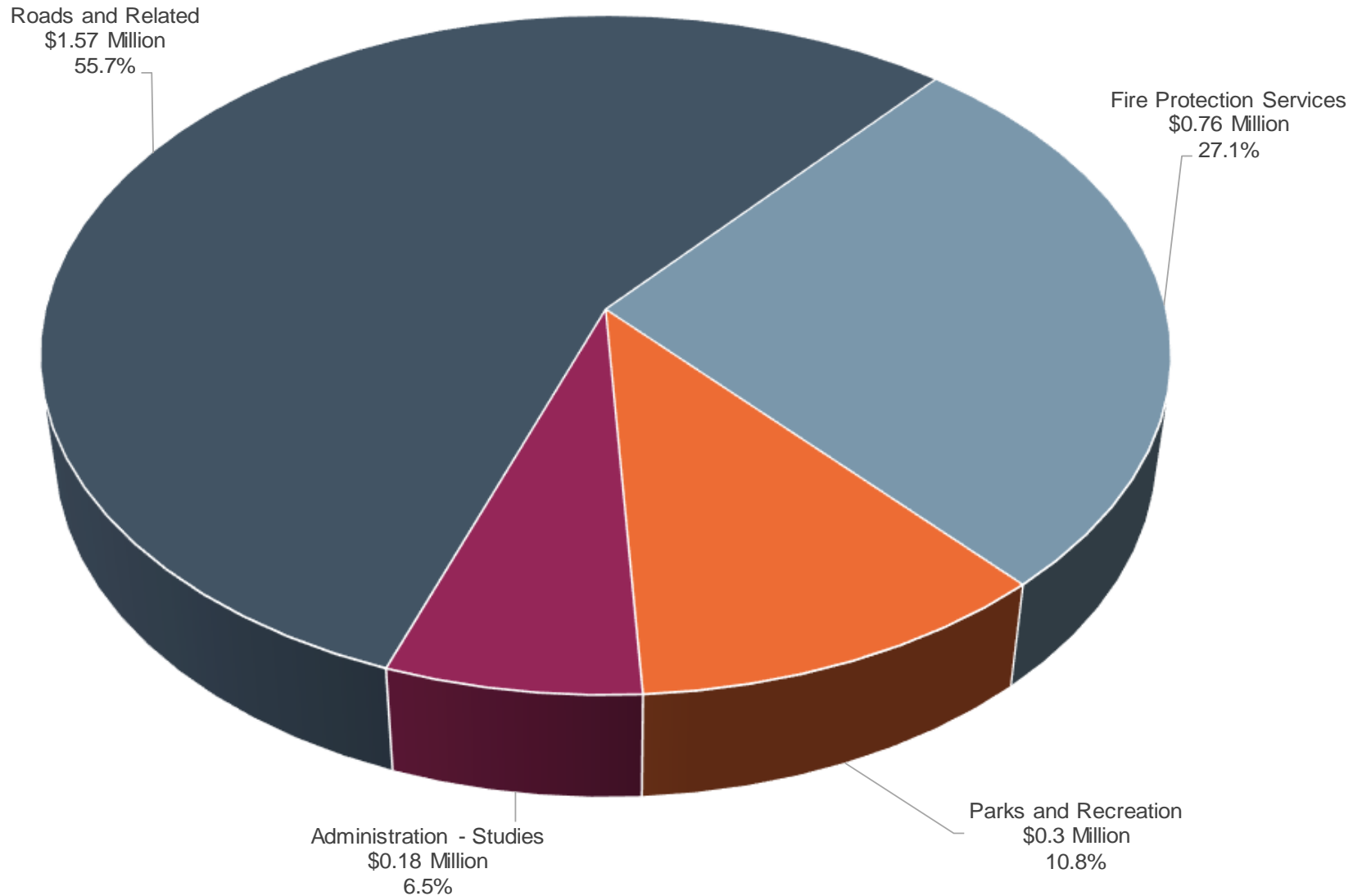
# Anticipated Capital Needs

Gross Capital Costs - \$15.1 million



# Development Charge Recoverable Capital Costs

Total D.C. Recoverable Costs – \$2.8 million





# Calculated Schedule of Development Charges



Service	RESIDENTIAL				NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	(per sq.ft. of Gross Floor Area)
<b>Municipal Wide Services:</b>					
Roads and Related	\$ 2,834	\$ 1,541	\$ 1,310	\$ 2,120	\$ 0.98
Fire Protection Services	\$ 1,378	\$ 749	\$ 637	\$ 1,031	\$ 0.47
Parks and Recreation Services	\$ 667	\$ 363	\$ 308	\$ 499	\$ 0.04
Administration - Studies	\$ 329	\$ 179	\$ 152	\$ 246	\$ 0.11
<b>Total Municipal Wide Services</b>	<b>\$ 5,208</b>	<b>\$ 2,832</b>	<b>\$ 2,407</b>	<b>\$ 3,896</b>	<b>\$ 1.60</b>



# Development Charge Comparison

Current vs. Calculated Charges per Single Detached Residential Dwelling Unit and per Sq. Ft. of Non-Residential Gross Floor Area

**Residential (Single Detached) Comparison**

Service	Current	Calculated
<b>Municipal Wide Services:</b>		
Roads and Related	\$ 3,184	\$ 2,834
Fire Protection Services	\$ 1,661	\$ 1,378
Parks and Recreation Services	\$ 361	\$ 667
Administration - Studies	\$ 277	\$ 329
<b>Total Municipal Wide Services</b>	<b>\$ 5,483</b>	<b>\$ 5,208</b>

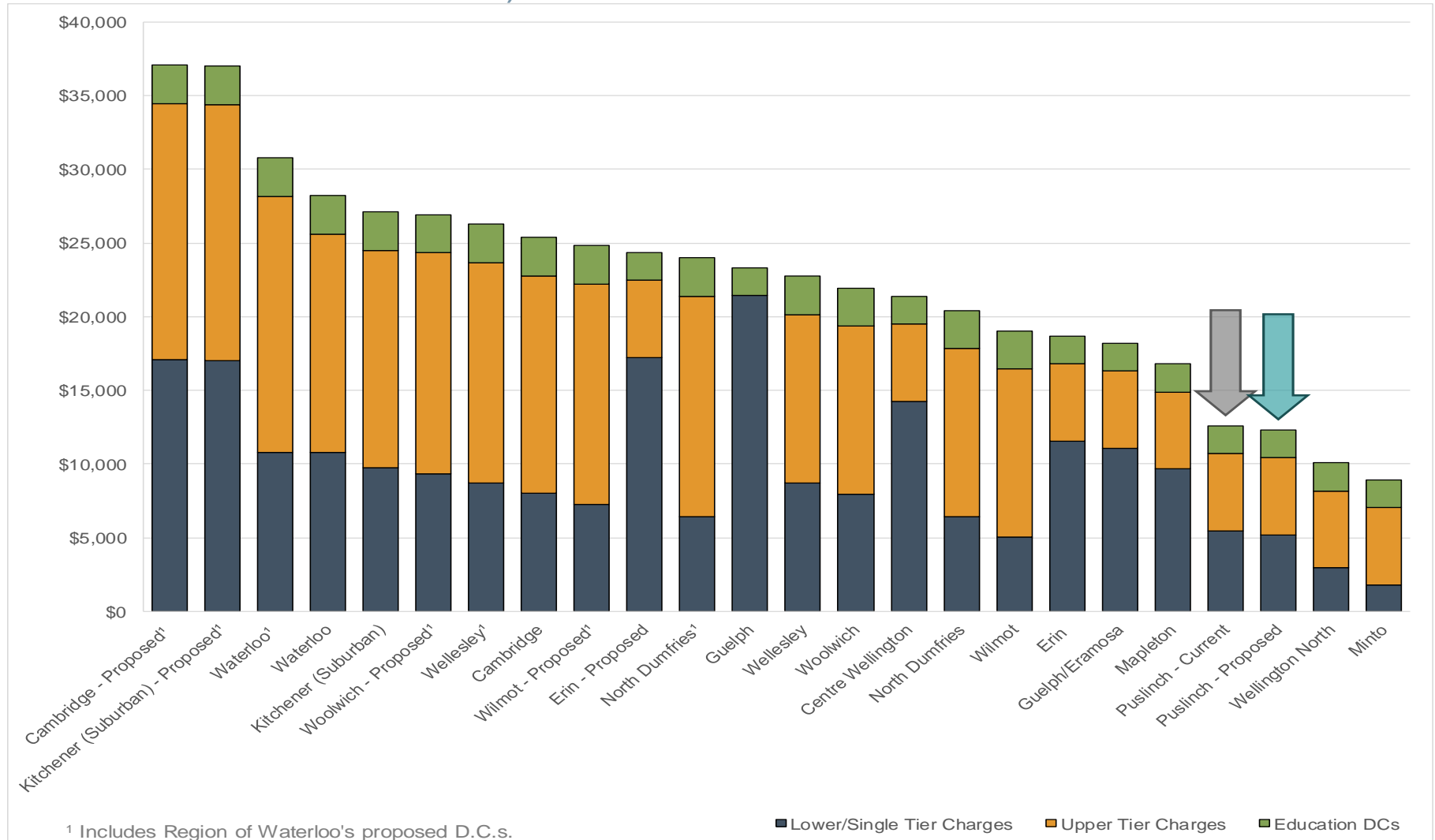
**Non-Residential (per sq.ft.) Comparison**

Service	Current	Calculated
<b>Municipal Wide Services:</b>		
Roads and Related	\$ 1.83	\$ 0.98
Fire Protection Services	\$ 0.53	\$ 0.47
Parks and Recreation Services	\$ 0.04	\$ 0.04
Administration - Studies	\$ 0.16	\$ 0.11
<b>Total Municipal Wide Services</b>	<b>\$ 2.56</b>	<b>\$ 1.60</b>



# D.C. Comparison

## Per Residential Single-Detached Dwelling Unit (excluding Water and Wastewater Services)

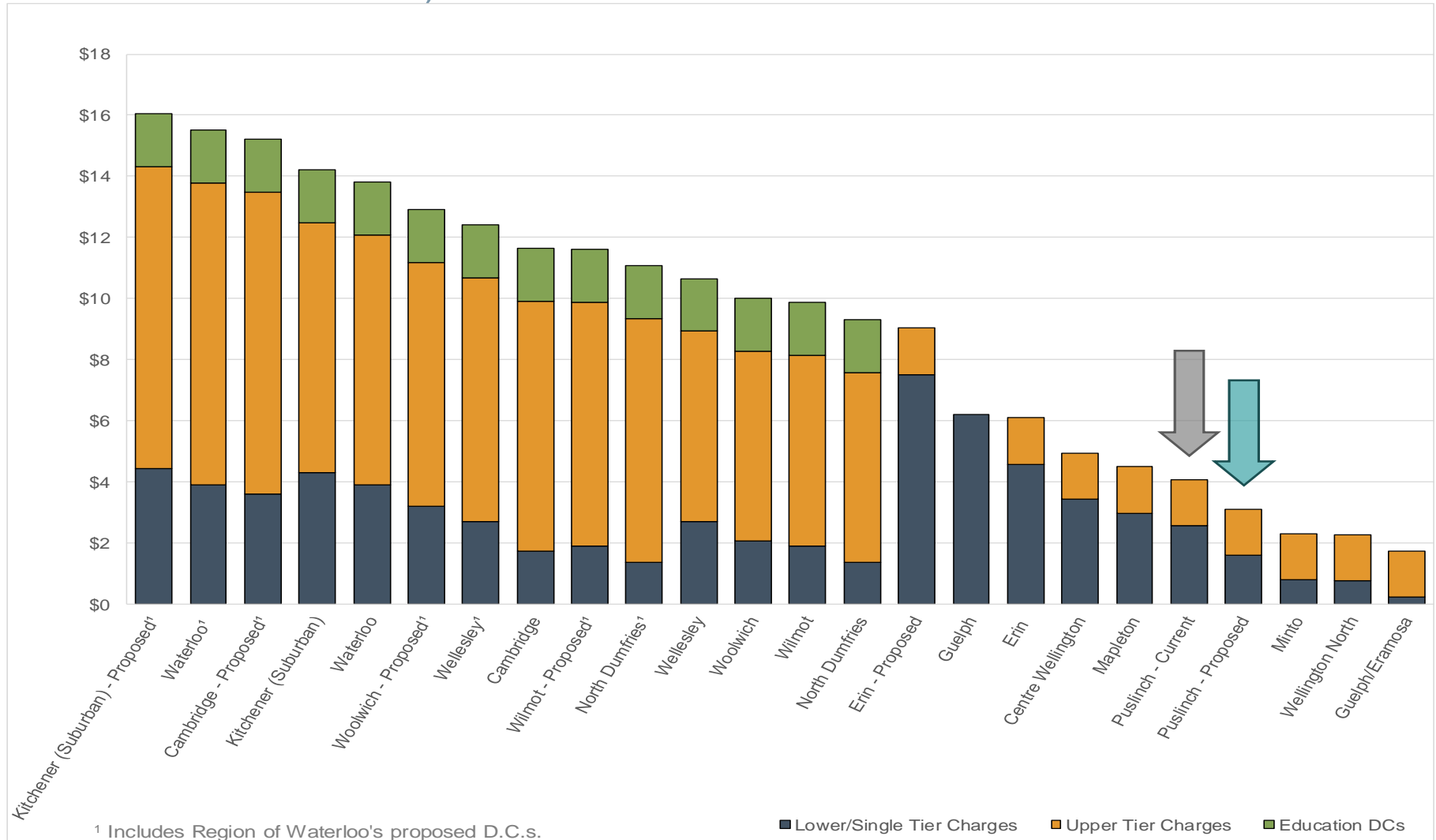


<sup>1</sup> Includes Region of Waterloo's proposed D.C.s.



# D.C. Comparison

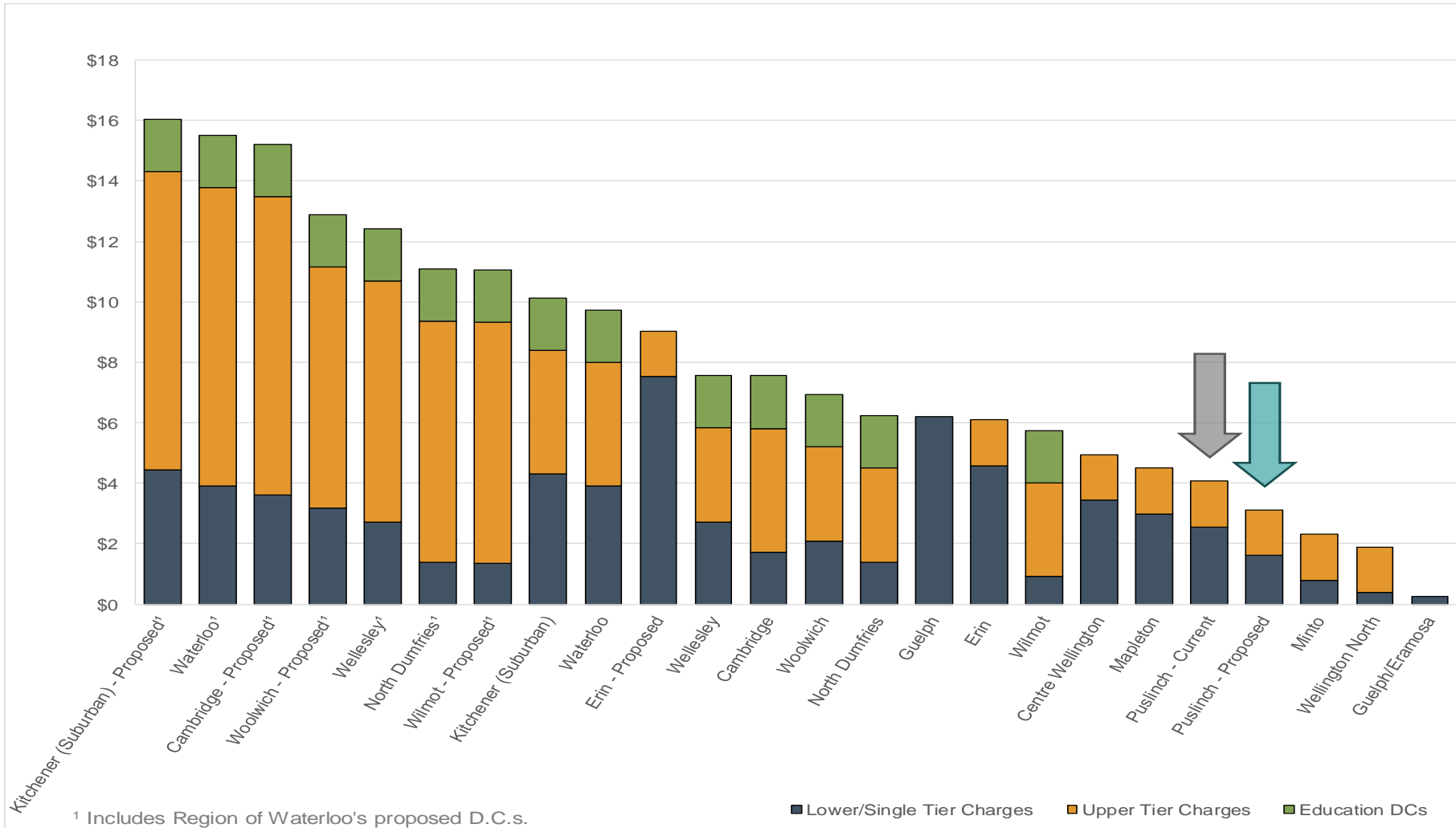
Per sq.ft. Commercial Gross Floor Area (excluding Water and Wastewater Services)

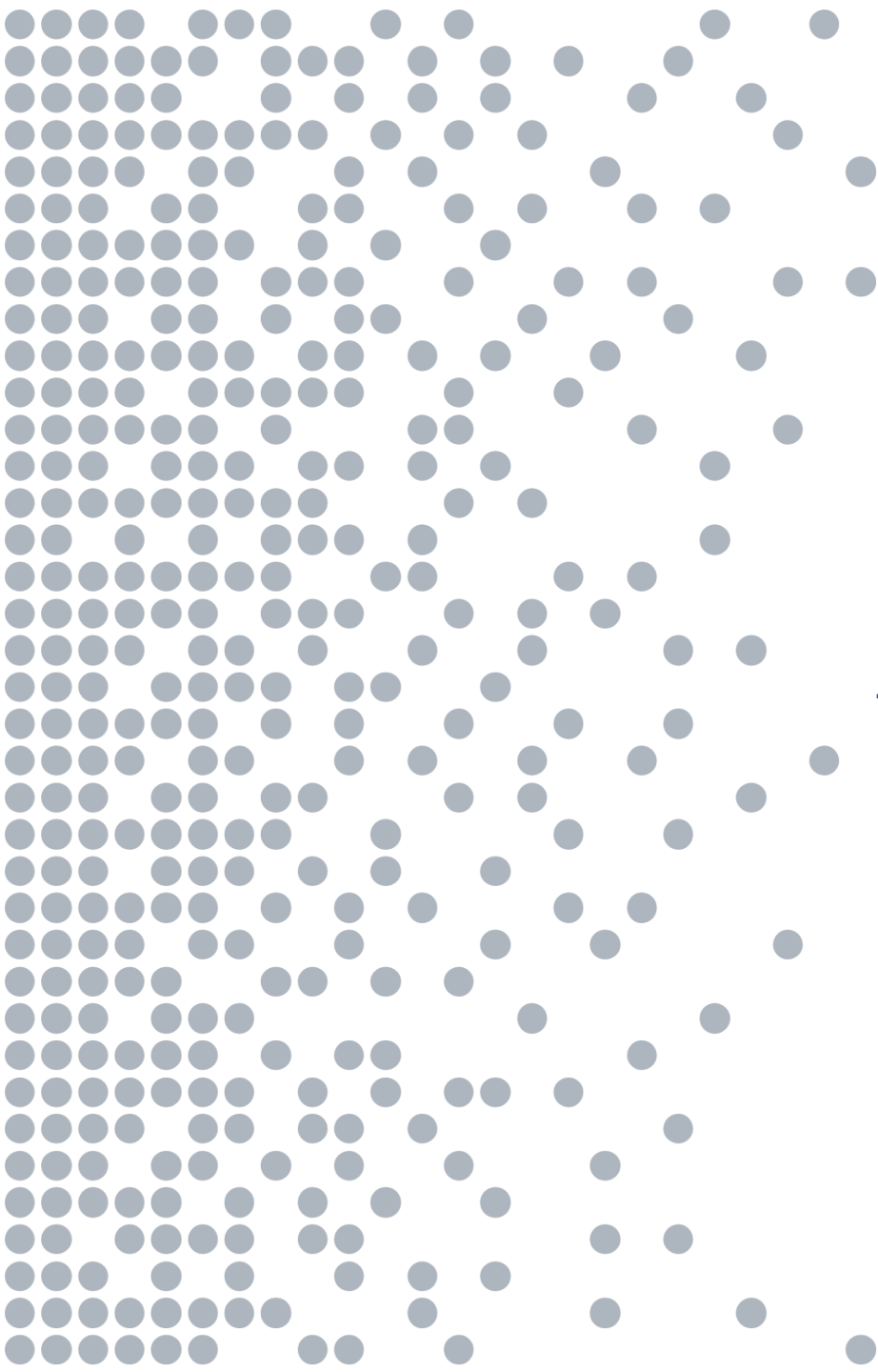




# D.C. Comparison

Per sq.ft. Industrial Gross Floor Area (excluding Water and Wastewater Services)





## Development Charge By-Law Policies

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# D.C. By-law Policies

## Charge Applicability and Timing

- One municipal D.C. by-law be used for all services, including a uniform municipal-wide D.C. for all services
- D.C. by-law would provide for calculation and collection of the charges at the time of building permit issuance
- Township may enter into agreement for the D.C. to be paid before or after it would otherwise be payable
- D.C. is subject to mandatory indexing annually on January 1<sup>st</sup>, of each year in accordance with D.C.A.



# D.C. By-Law Policies

## Statutory D.C. Exemptions



- The D.C.A. provides statutory exemptions for:
  - Industrial additions of up to and including 50% of the existing G.F.A. of the building - for industrial additions which exceed 50% of the existing G.F.A., only the portion of the addition in excess of 50% is subject to D.C.s
  - Land used for Municipal or Board of Education purposes
  - Residential development that results in only the enlargement of an existing dwelling unit, or that results only in the creation of up to two additional dwelling units



# D.C. By-Law Policies

## Non-Statutory D.C. Exemptions

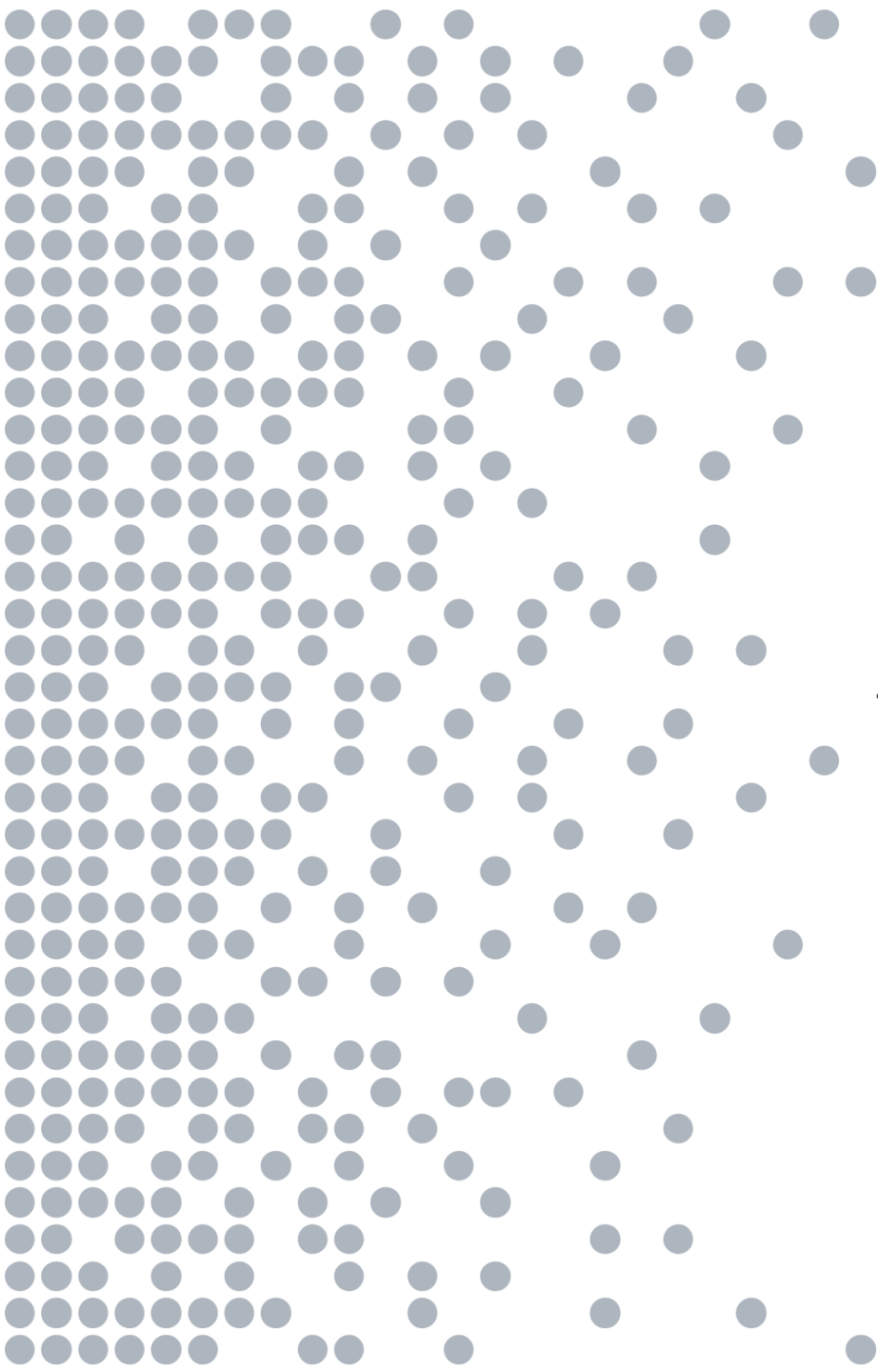
- Current non-statutory D.C. exemptions that are proposed to be maintained, include:
  - Temporary uses permitted under a zoning by-law under section 39 of the *Planning Act*;
  - Accessory Use;
  - A home occupation;
  - Non-residential farm buildings used for agricultural purposes; and
  - Institutional use

# D.C. By-Law Policies

## Redevelopment Credits



- Redevelopment credits on conversions or demolitions of existing buildings or structures are generally granted to recognize what is being replaced on site (not specific in the Act but provided by case law)
- Redevelopment credits where demolition/conversion occurs within 5 years of building permit issuance (note, credit provision expanded from 1 year under current D.C. by-law)
- Credits are not granted for demolitions/conversions that would be exempt under the current by-law



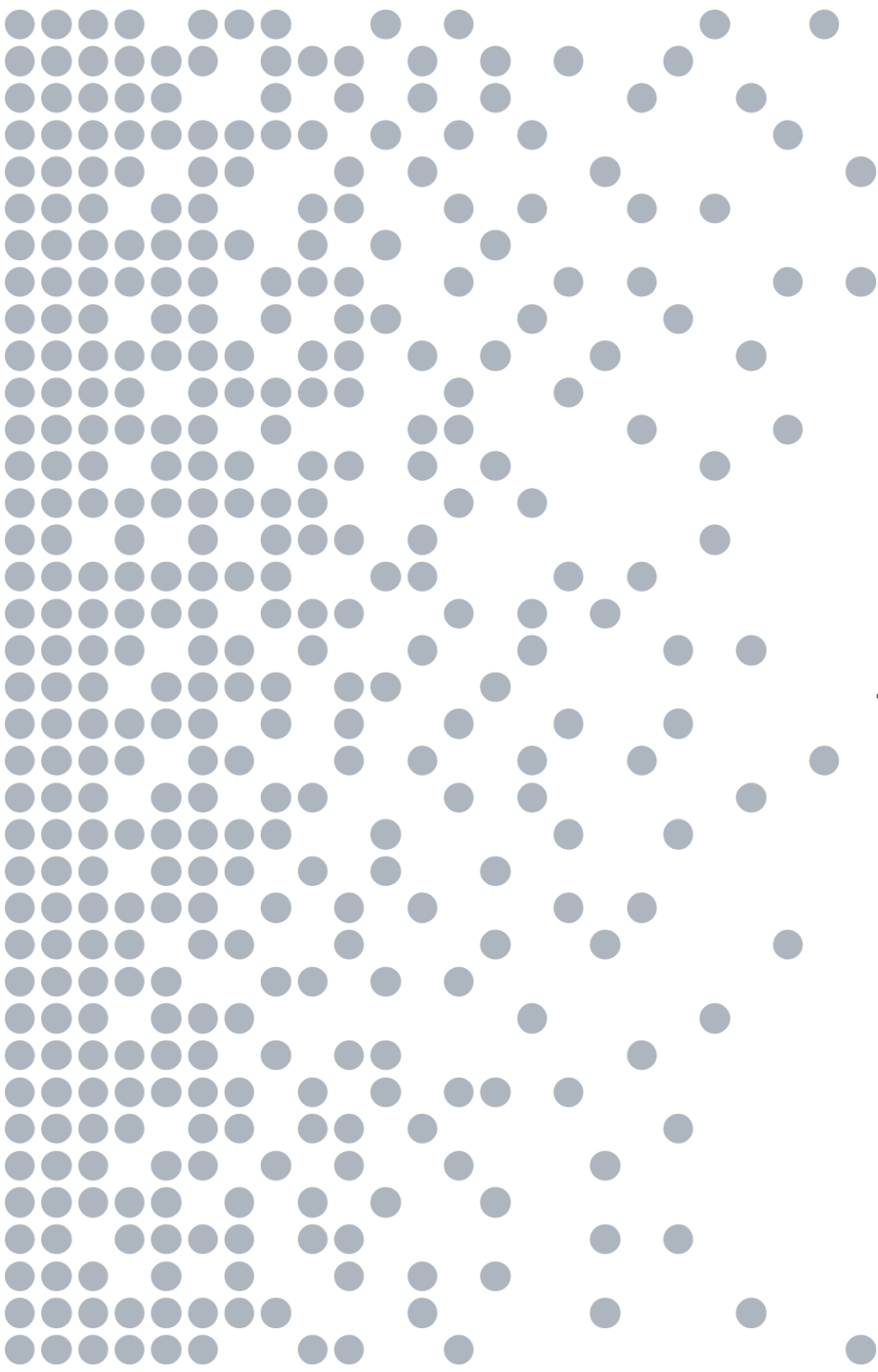
## Next Steps

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## Next Steps



- Council to receive input from the public on the proposed D.C. By-Law;
- Council to consider further amendments to the D.C. Background Study and D.C. By-law prior to by-law passage, as required; and
- Council D.C. By-law approval (July 17, 2019)



## Proposed Changes to the D.C.A.

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# Update on Bill 108

## More Homes, More Choice Act



- Bill 108, *More Homes, More Choice Act*, was introduced in the Ontario Legislature on May 2, 2019 and received Royal Assent on June 6, 2019.
- The proposed changes include:
  - Changes to Eligible Services
    - “Soft Services” would be removed from the D.C.A. and considered as part of a Community Benefit Charge under the authority of the *Planning Act*
      - The amount of a community benefits charge payable shall not exceed an amount equal to the prescribed percentage of the value of the land as of the valuation date
    - Waste Diversion and Land Ambulance will be a 100% D.C. recoverable service (i.e. removal of 10% statutory deduction)



# Update on Bill 108

## More Homes, More Choice Act



- Proposed changes (continued):
  - Determination of the D.C.
    - D.C. for developments proceeding through Site Plan or Zoning Bylaw Amendment will be determined based on the charges in effect on the day of the application
    - D.C. for developments not proceeding via these planning approvals will be determined at the earlier of building permit issuance or occupancy
  - Payment in Instalments
    - Rental housing, commercial, industrial, and institutional developments would pay D.C.s in six equal annual payments, commencing from the date of occupancy
    - Non-profit housing would pay D.C.s in 21 equal annual payments, commencing from the date of occupancy

# Update on Bill 108

## More Homes, More Choice Act



- Regarding the commencement of the amendments to the D.C.A. contained in Schedule 3
  - “s.s.16(1) subject to subsection (2), this Schedule comes into force on a day to be named by proclamation of the Lieutenant Governor”
  - “s.s.16(2) Section 1, subsections 3(4), 5(1) and 13(5) and sections 14 and 15 come into force on the day the More Homes, More Choice Act, 2019 receives Royal Assent”
- s.1 and s.s.3(4) – address definitions for waste diversion and policing services
- s.s. 5(1) – provides for transition of soft services to a Community Benefits Charge, under the authority of the *Planning Act*
- s.s.13(5), s.14 and s. 15 – repeals portions of *Promoting Affordable Housing Act* and *Comprehensive Ontario Police Services Act*

# Update on Bill 108

## More Homes, More Choice Act



- Based on the foregoing:
  - While the Bill has received Royal Assent, many of the amendments won't come into effect until it is proclaimed
  - The new s.s2(4) of the D.C.A., which sets the services that can be included in a DC bylaw, which excludes the soft services, is not yet in effect and comes into force on proclamation
  - The new s.s.9.1(1) of the D.C.A. provides that for by-laws expiring after May 2, 2019, that they remain in force as they apply to soft services until the earlier of: when the bylaw is repealed, the day the municipality passes a Community Benefits Charge By-law under the authority of the Planning Act, or the prescribed date (which is currently unknown)
- As the new section 2(4) is not yet in effect, our understanding is that a new D.C. bylaw can include soft services until Bill 108 is proclaimed