



City of Port Colborne

2024 Development Charges Public Meeting
September 24, 2024

Report 2024-191
Appendix B ⁰



Format for Public Meeting

- Opening Remarks
- Public Meeting Purpose
- Study Process and Timelines
- Development Charges Overview
- Presentation of the Proposed Charges and Policies
- Presentations by the Public
- Questions from Council
- Conclude Public Meeting

Public Meeting Purpose



- The public meeting is to provide for a review of the D.C. background study 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

Overview of Process –Timelines



- 1** **September 2023 to June 2024**
Review of background data, modelling, meetings with staff
- 2** **May 1, 2024**
Stakeholder Meeting
- 3** **August 23, 2024**
Release of the Background Study and Draft By-law
- 4** **September 24, 2024**
Mandatory Public Meeting
- 5** **October 22, 2024**
Council Consideration of the By-law

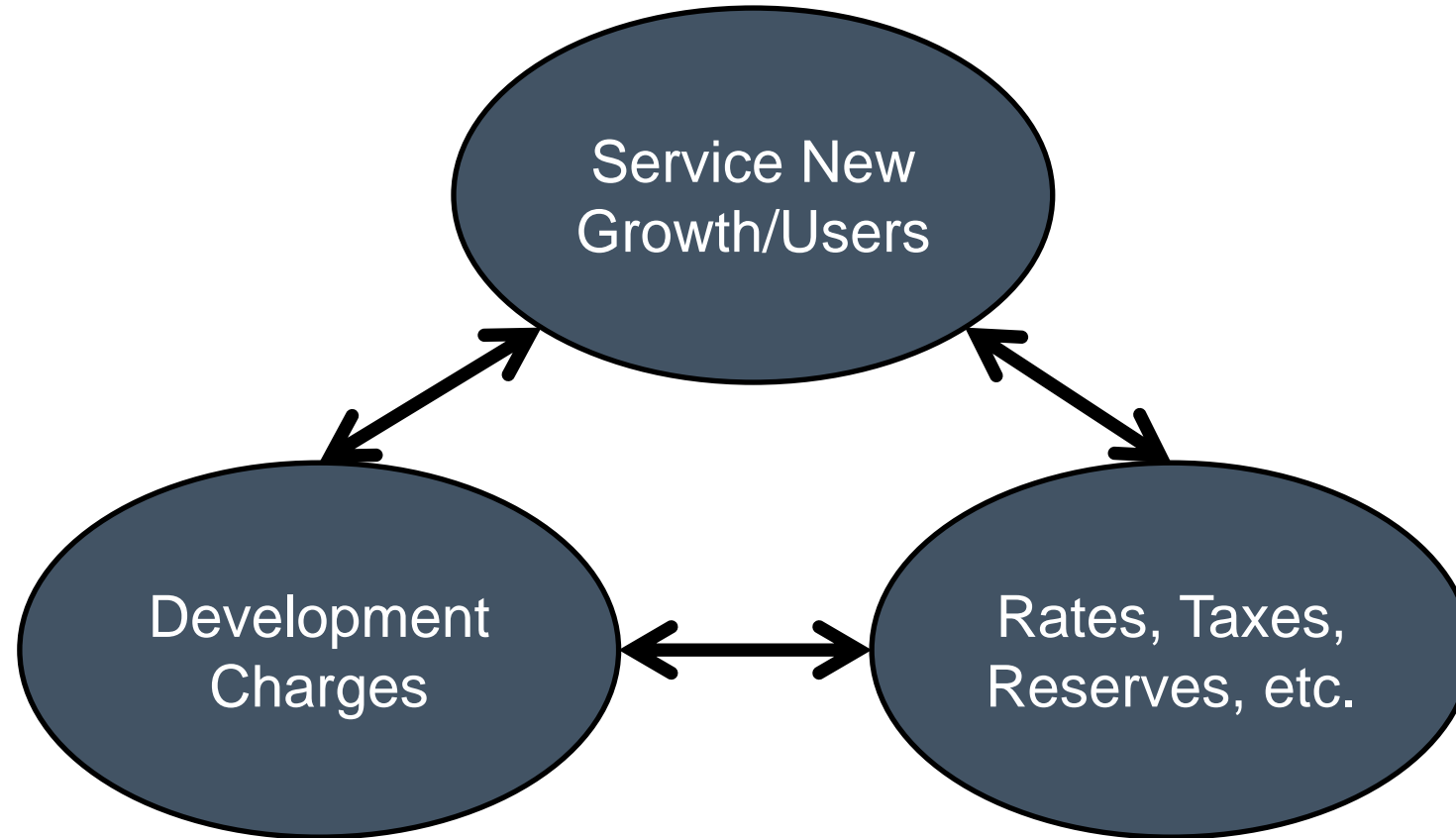
Development Charges (D.C.s)



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, sidewalks, streetlights, etc.)
- Municipalities are empowered to impose these charges via the Development Charges Act (D.C.A.)
- Development Charges are typically calculated and imposed at the time of issuance of a building permit

Relationship Between Needs to Service Growth vs. Funding





Methodology for Calculating a D.C.

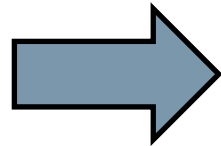
The following provides the overall methodology to calculating the charge:

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. Amounts in excess of 15-year historical service calculation
 - iv. 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.

Overview of the D.C. Calculation



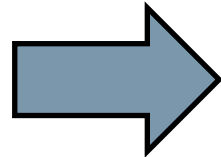
Cost of Infrastructure
Required to
Accommodate Growth



\$

Development Charge
per Unit
(for Residential Growth)

Residential and Non-
residential Growth



Development
Charges

Development Charge
per Sq.ft. or per Sq.m
(for Non-residential Growth)

D.C. Eligible Services

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 Services
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. Provincial Offences Act
18. Emergency Preparedness
19. Airports (Waterloo Region only)



Teal highlights denote services included in the 2024 D.C.

Growth studies are included in the D.C. as a class of service for any of the listed eligible services.

Recent Changes to D.C. Legislation



Bills 108 & 138: *More Homes, More Choice Act, 2019 and Plan to Build Ontario Together Act, 2019*

- Instalment payments (for rental housing and institutional developments)
- D.C. freeze for Site Plan and Zoning By-law Applications
 - Once a complete application is received; D.C. rate is frozen. Once the municipality approves application, developer has two years to pull a building permit to maintain frozen rate

Bill 197: *COVID-19 Economic Recovery Act, 2020*

- Removal of 10% mandatory deduction
- List of eligible services
- C.B.C legislation (*Planning Act*)

Bill 213: *Better for People, Smarter for Business Act, 2020*

- Exemptions for universities

Bill 109: *More Homes for Everyone Act, 2022*

- Rules for Annual Treasurer's Statement

Recent Changes to D.C. Legislation – Cont'd



Bill 23: *More Homes, Built Faster Act, 2022*

- Additional D.C. exemptions:
 - Inclusionary zoning units
 - Non-profit housing
 - Additional residential units
 - Affordable owned/rental units
 - Attainable units (currently not in force)
- Rental housing discount (based on number of bedrooms – 15%-25%)
- Removal of housing as an eligible D.C. service
- Capital cost amendments (**restrictions to remove studies** and potentially land)
- **Mandatory phase-in of D.C. (maximum charge of 80%, 85%, 90%, 95%, 100% for first five years of the by-law)**
- Maximum Interest Rate for Installments and D.C. Freeze (maximum interest rate would be set at the average prime rate plus 1%)
- Requirement to Allocate 60% of the monies in the reserve funds for Water, Wastewater, and Services Related to a Highway
- D.C. by-law expiry extended to 10 years

Note: The Province passed Bill 185 on June 6, 2024, which removed these requirements (see next slide)

Recent Changes to D.C. Legislation – Cont'd



Bill 134: *Affordable Homes and Good Jobs Act, 2023*

- Revised definition for affordable unit:

Affordable Rental Unit: rent is less than 30% of the 60th percentile of income for rental households or average market rent set out in Bulletin*

Affordable Owned Unit: cost is less than 30% of the 60th percentile of income for households in the municipality or 90% of the average purchase price as defined in Bulletin*

Bill 185: *Cutting Red Tape to Build More Homes Act, 2024*

- Removal of mandatory phase-in of charges
- Re-inclusion of studies as an eligible capital cost (included in calculated rates)
- D.C. rate freeze for zoning by-law amendment applications: reduction from two years to 18 months
- Process for minor amendments to D.C. by-laws
- Modernizing public notice requirements



Mandatory D.C. Exemptions/ Discounts

- Upper/Lower Tier Governments and School Boards;
- Industrial building expansions (may expand by 50% with no D.C.)
- Development of lands intended for use by a university
- Up to 2 apartments in an existing or new detached, semi-detached, or rowhouse
- Add one additional unit or 1% of existing units in an existing rental residential building
- Affordable inclusionary zoning units
- Non-profit housing
- Discount for rental housing (based on number of bedrooms – 15% to 25%)
- Affordable rental unit
- Affordable owned unit
- **Attainable units (not yet in force)**

Discretionary D.C. Exemptions & Redevelopment Credits



- 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; and
- Redevelopment credits to recognize what is being replaced on site (not specific in the Act but provided by case law)

Proposed Discretionary Exemptions :



Industrial Development
Greater than 5,000 sq.ft.



Non- Residential
Farm Buildings



Partial Exemption for Certain
Community Improvement Plan Areas

Affordable/Attainable Exemptions

Bill 134



Definitions for “affordable” under the D.C.A. were updated by Bill 134, which received Royal Assent on December 4, 2023. As per s 4.1 of the D.C.A. the affordable rental unit and affordable owned unit exemptions are in effect as of June 1, 2024.

Bill 134 Definitions

Affordable Rental Unit: rent is less than 30% of the 60th percentile of income for rental households or average market rent set out in a new Bulletin*

Affordable Owned Unit: cost is less than 30% of the 60th percentile of income for households in the municipality or 90% of the average purchase price as defined in a new Bulletin*

Affordable Amounts (Port Colborne)

Affordable Monthly Rent:

Bachelor: \$ 949
1 Bedroom: \$1,038
2 Bedroom: \$1,161
3+ Bedroom: \$1,440

Affordable Owned Unit:

\$309,000 for Singles, Semi's, and Multiples
\$309,000 for Apartments

Attainable Unit: yet to be defined by legislation

*Bulletin published by the Ministry of Municipal Affairs and Housing



Local Service Policies

- 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., therefore, need to be clear:
 - What will be included in the D.C.; and
 - What will be required by developers as part of their development agreements
- Items considered in Local Service Policies may include:
 - Local, rural, 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.

Growth Forecast Summary



Measure	12 Year 2024 to 2036	Urban 12-Year 2024 to 2036
(Net) Population Increase	3,859	3,960
Residential Unit Increase	2,097	1,989
Non-Residential Gross Floor Area Increase (sq.ft.)	976,000	958,800

Source: Watson & Associates Economists Ltd. Forecast 2024

Current D.C. Rates



Service	Residential					Non-Residential
	Single & Semi Detached	Multiples	Apartments with >= 2 Bedrooms	Apartments with < 2 Bedrooms	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)
City-wide Services:						
Services Related to a Highway	2,160	1,595	1,557	952	862	1.10
Fire Protection Services	155	114	112	68	62	0.08
Parks and Recreation Services	3,304	2,439	2,382	1,456	1,319	0.23
Library Services	163	120	118	72	65	0.010
Studies	356	263	256	157	143	0.17
Total City-wide Services	6,138	4,531	4,425	2,705	2,451	1.59
Urban Services:						
Wastewater Services	1,593	368	353	239	636	0.76
Water Services	3,688	1,464	1,407	950	1,472	1.75
Total Urban Services	5,281	1,832	1,760	1,189	2,108	2.51
GRAND TOTAL - RURAL AREA	6,138	4,531	4,425	2,705	2,451	1.59
GRAND TOTAL - URBAN AREA	11,419	6,363	6,185	3,894	4,559	4.10

Note: the D.C. rates above have not been indexed since the passage of the 2019 By-law

Calculated D.C. Rates



Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)
Municipal Wide Services/Class of Service:						
Services Related to a Highway	2,328	1,803	1,630	1,078	893	1.12
Public Works (Facilities and Fleet)	2,444	1,893	1,711	1,131	937	1.17
Fire Protection Services	1,709	1,324	1,197	791	655	0.82
Parks and Recreation Services	5,018	3,886	3,514	2,323	1,924	0.45
Library Services	663	513	464	307	254	0.06
Growth Studies	1,101	853	771	510	422	0.53
Total Municipal Wide Services/Class of Service	13,263	10,272	9,287	6,140	5,085	4.15
Urban Services						
Wastewater Services	11,453	8,870	8,020	5,301	4,391	5.24
Water Services	5,813	4,502	4,071	2,691	2,229	2.66
Total Urban Services	17,266	13,372	12,091	7,992	6,620	7.90
GRAND TOTAL RURAL AREA	13,263	10,272	9,287	6,140	5,085	4.15
GRAND TOTAL URBAN AREA	30,529	23,644	21,378	14,132	11,705	12.05

Rate Comparison – Residential (per Single Detached)



Service	Current	Calculated
Municipal Wide Services:		
Services Related to a Highway	2,160	2,328
Public Works (Facilities and Fleet)		2,444
Fire Protection Services	155	1,709
Parks and Recreation Services	3,304	5,018
Library Services	163	663
Studies	356	1,101
Total Municipal Wide Services	6,138	13,263
Urban Services:		
Wastewater Services	1,593	11,453
Water Services	3,688	5,813
Total Urban Services	5,281	17,266
Grand Total - Urban Area	11,419	30,529

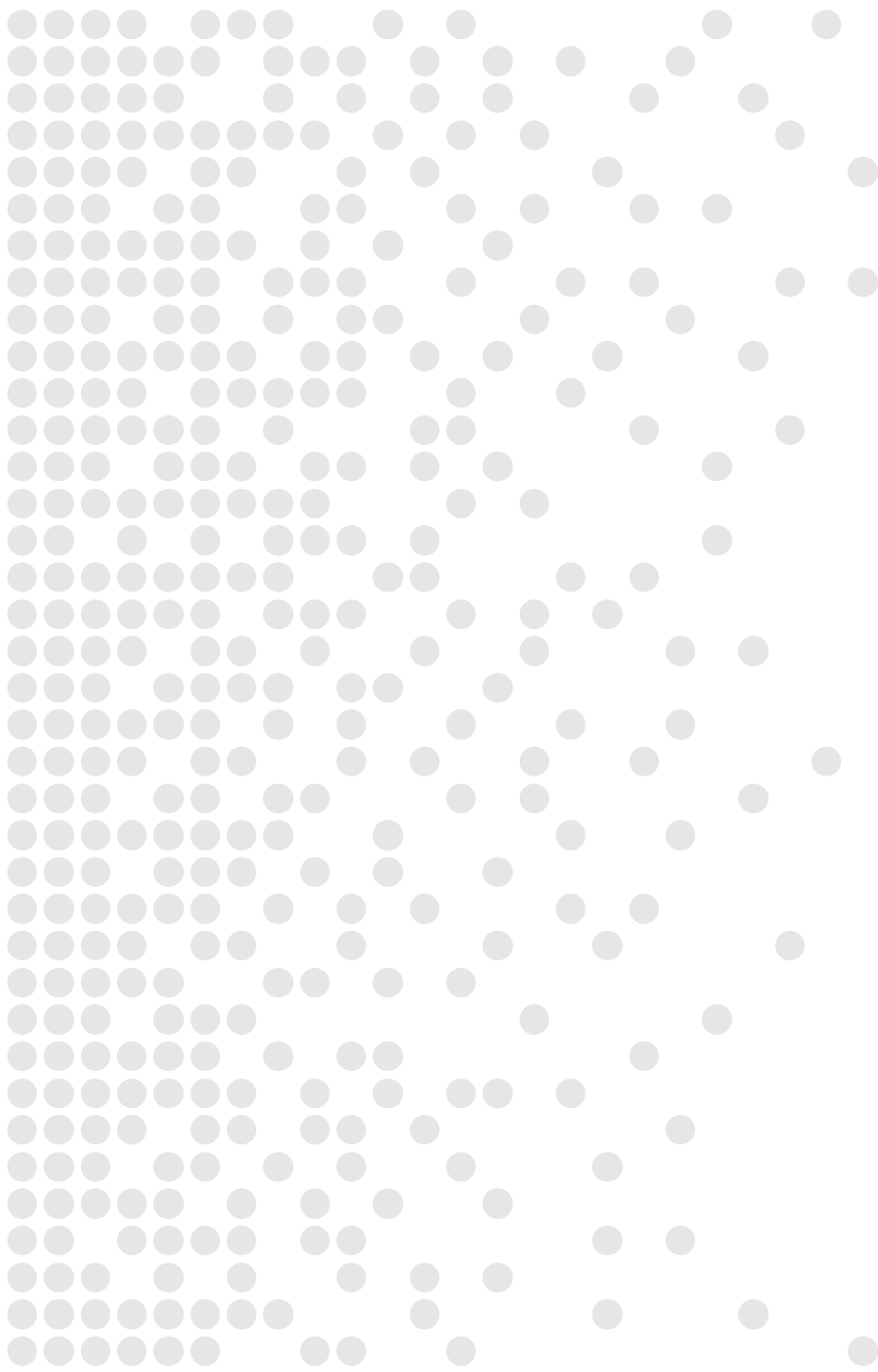
If the D.C. rates had been indexed the estimated current charge would have been \$16,669.

Rate Comparison – Non-Residential (per sq.ft.)



Service	Current	Calculated
Municipal Wide Services		
Services Related to a Highway	1.10	1.12
Public Works (Facilities and Fleet)		1.17
Fire Protection Services	0.08	0.82
Parks and Recreation Services	0.23	0.45
Library Services	0.01	0.06
Studies	0.17	0.53
Total Municipal Wide Services	1.59	4.15
Urban Services:		
Wastewater Services	0.76	5.24
Water Services	1.75	2.66
Total Urban Services	2.51	7.90
Grand Total - Urban Area	4.10	12.05

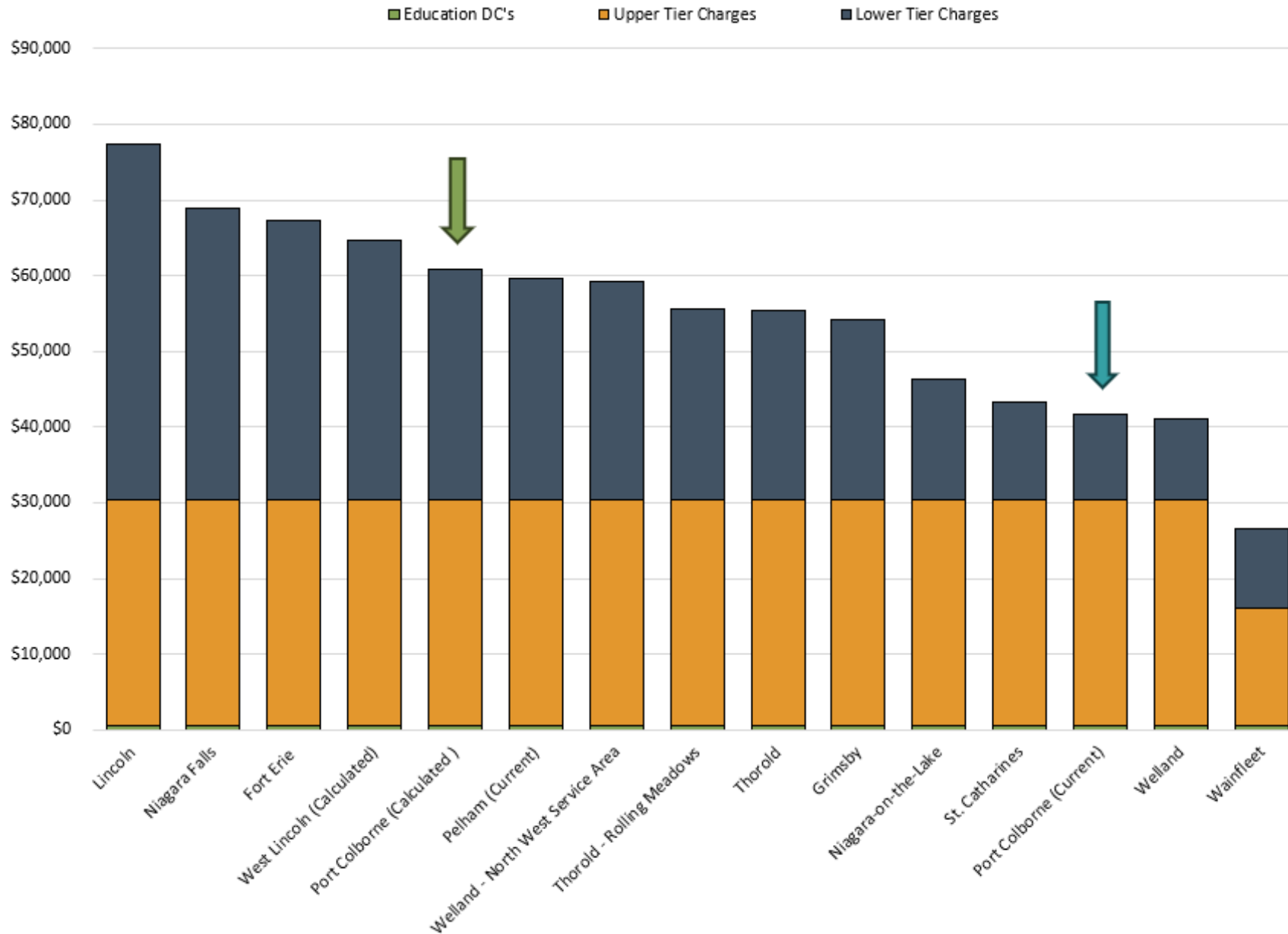
If the D.C. rates had been indexed the estimated current charge would have been \$5.98.



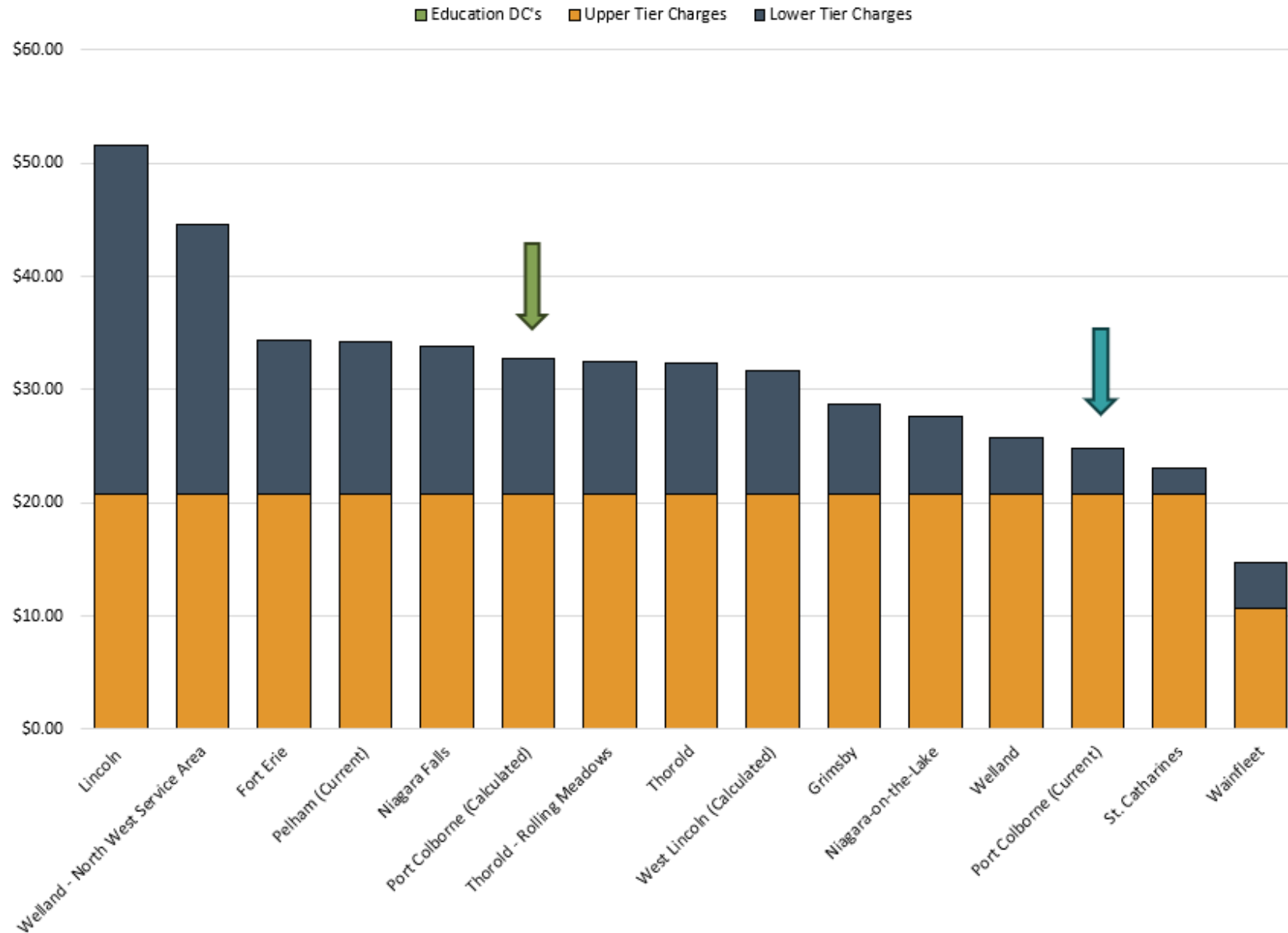
Survey of Municipal D.C.s

City of Port Colborne

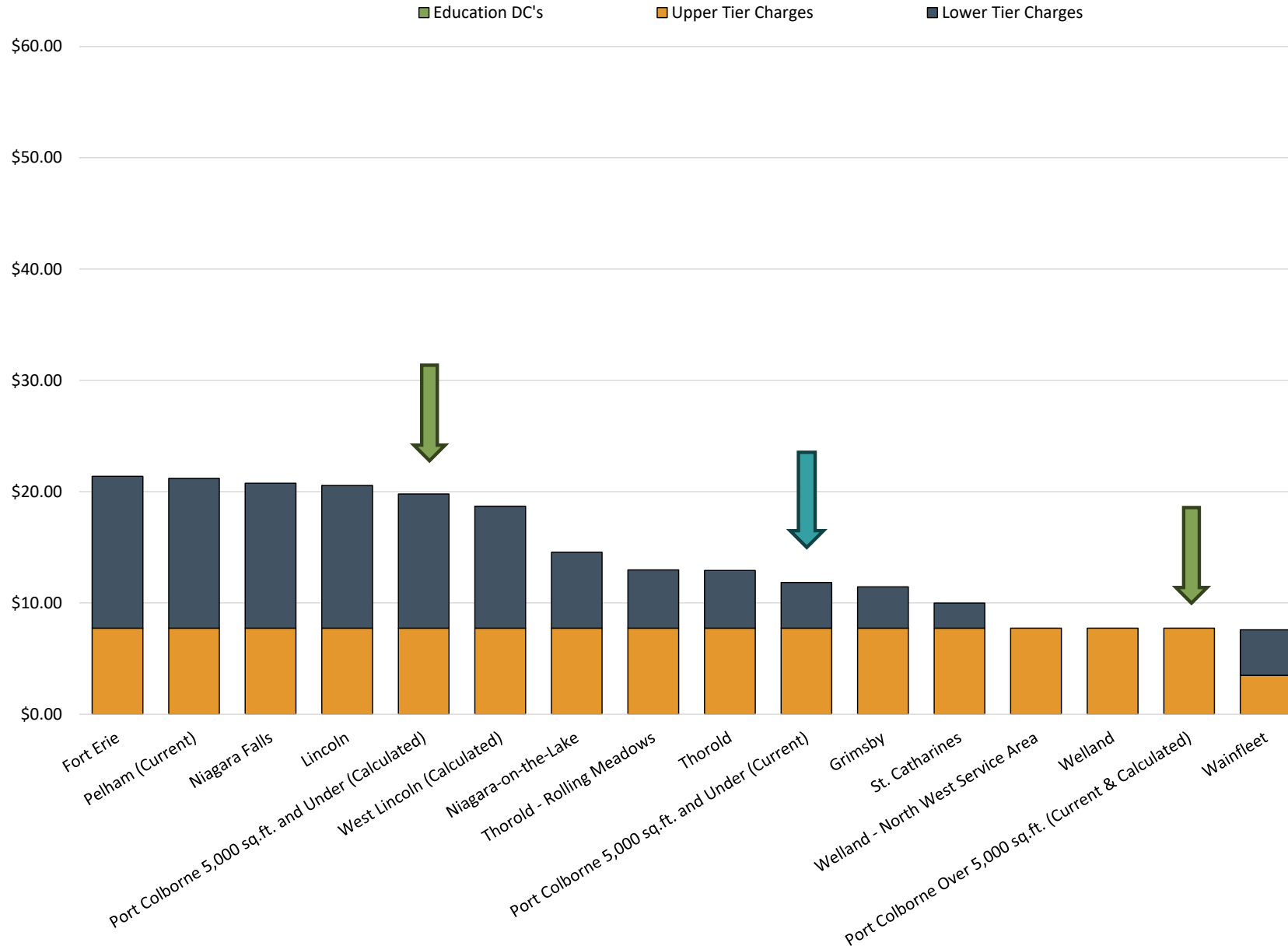
Survey of Comparator Municipalities – Single/Semi-Detached



Survey of Comparator Municipalities – Commercial (per sq.ft.)



Survey of Comparator Municipalities – Industrial (per sq.ft.)



Next Steps



September 2023 to June 2024

Review of background data, modelling, meetings with staff



May 1, 2024

Stakeholder Meeting



August 23, 2024

Release of the Background Study and Draft By-law



September 24, 2024

Mandatory Public Meeting



October 22, 2024

Council Consideration of the By-law

Questions

