



Town of Pelham

Public Meeting – 2021 D.C. Update Study

February 7, 2022

Format for Public Meeting



- D.C.A. Public Meeting
 - Opening remarks
 - Presentation of the proposed policies and charges
 - Presentations by the Public
 - Questions from Council
 - Conclude Public Meeting

Study Process & Timelines



- Calculations and Policy Review (September to November 2021)
- Release of Background Study (December 22, 2021)
- **Public Meeting (February 7, 2022)** ←
- Council Consideration of by-law passage (March 7, 2022)

Public Meeting and D.C. Update Purpose



- The purpose of the D.C. Update is to incorporate the following changes to the Town's D.C. By-law:
 - Incorporate the policy changes as a result of Bills 108, 138, 197 and 213;
 - Remove the Mandatory 10% deduction; and
 - Update the D.C. recovery for the Meridian Community Centre.
- 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

Development Charges



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.)



Changes to the Legislation since the Town's 2018 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 108: More Homes, More Choice Act, 2019
- Bill 138: Plan to Build Ontario Together Act, 2019
 - (Removed installment payments for commercial and industrial developments identified in Bill 108)
- Bill 197: COVID-19 Economic Recovery Act, 2020
- Bill 213: Better for People, Smarter for Business Act, 2020
 - Exemption of D.C.s on University Lands

Bills 108 (More Homes, More Choice Act, 2019) and 138 (Plan to Build Ontario Together Act, 2019)



- On May 2, 2019, the Province introduced Bill 108, which proposed changes to the D.C.A.
 - Some sections were proclaimed in December of 2019 (noted below)
 - On Nov. 6, 2019, the Province introduced Bill 138, which provided further changes to the D.C.A. The Bill was proclaimed December 10, 2019.
- The following provisions became effective as of January 1, 2020 and have been included in Pelham's D.C. by-law:
 - Rental housing and institutional developments will pay D.C.s in 6 equal annual payments (Bill 138 removed installment payments for commercial and industrial)
 - Non-profit housing developments will pay D.C.s in 21 equal annual payments
 - The D.C. rate is frozen for Site Plan or Zoning By-law amendments until 2 years after approval
 - Interest may be charged on the installments and D.C. freeze

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



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

- D.C. eligible services: the list of D.C. eligible services has now been expanded from the original list under Bill 108.
- Classes of services may be established for components of a service or a combination of services.
- The mandatory 10% deduction is removed for all D.C.-eligible services.
- The 10-year planning horizon limit has been removed for all services except for transit

D.C. Eligible Services – As per Bill 197



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
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. Housing services.
18. Provincial Offences Act
19. Emergency Preparedness
20. Airports (Waterloo Region only).

Current Services for the Town



Bill 213 (Better for People, Smarter for Business Act, 2020)

On December 8, 2020, Bill 213 received Royal Assent. One of the changes of the Bill that took effect upon Royal Assent included amending the Ministry of Training, Colleges and Universities Act by introducing a new section that would exempt the payment of D.C.s for developments of land intended for use by a university that receives operating funds from the Government.

This change will be reflected in the amending D.C. By-Law.

2021 D.C. Update – 10% Deduction Removal



- The legislation has removed the mandatory deduction for all services that remain eligible in the D.C. For the Town, the 10% deduction has been removed for the following services:
 - Indoor and Outdoor Recreation Services (Now “Parks and Recreation Services”);
 - Library Services; and
 - Administration Studies (Now a Class of Service: “Growth Studies”).

2021 D.C. Update – Classes of Services



- The Town currently has an “Administration” category which contains several D.C. eligible studies. Due to the changes from Bill 197, this category will need to be considered a “Class of Services”. With this change, the “Administration” service is being renamed to “Growth Studies”.

2021 D.C. Update – Capital Adjustments



- Parks and Recreation:
 - The D.C. recovery of the Meridian Community Centre has been adjusted to account for the increase in the service standard ceiling.
- With respect to studies:
 - For planning related studies, a deduction of 10% has been applied to recognize the extent to which the studies relate to non-D.C.-eligible services.

2021 D.C. Update – Other By-law Revisions



The following provisions are being included in the Town's D.C. By-law:

- Timing of Payment Provisions:
 - Rental housing and institutional developments (six equal annual payments)
 - Non-profit housing (21 equal annual payments)
- D.C. Rate Freeze:
 - Site plan or Zoning by-law amendment application (D.C. rates frozen for 2 years)
- Interest Rates for the above
- The Addition of Policies and Definitions as described in O.Reg. 454/19

Current D.C. Rates – By-law 4023(2018), as amended by 4149(2019) (2018\$)



Service/Class of Service	Residential					Non-Residential
	Single & Semi Detached	Other Multiples	Apartments - 2 Bedrooms +	Apartments Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	per sq.ft. of Gross Floor Area)
Municipal Wide Services/Classes of Services						
Services Related to a Highway	9,330	6,647	6,388	3,906	3,191	5.21
Fire Protection Services	349	249	239	146	119	0.19
Parks and Recreation Services ¹	3,581	2,551	2,452	1,499	1,224	0.49
Library Services	563	401	385	236	193	0.08
Growth Studies ²	678	483	464	284	232	0.39
Total Municipal Wide Services/Classes of Services	14,501	10,331	9,928	6,071	4,959	6.36
Urban Services:						
Wastewater Services	2,762	1,968	1,891	1,156	945	1.90
Water Services	1,165	830	798	488	398	0.80
Total Urban Services	3,927	2,798	2,689	1,644	1,343	2.70
Total Municipal-Wide + Urban	18,428	13,129	12,617	7,715	6,302	9.06

¹ Previously presented as two separate charges for Indoor and Outdoor Recreation Services

² Previously presented as Administration

Calculated D.C. Rates (2018\$)



Service/Class of Service	Residential				Special Care/Special Dwelling Units	Non-Residential (per ft² of Gross Floor Area)
	Single and Semi- Detached Dwelling	Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom		
Municipal Wide Services/Classes of Services						
Services Related to a Highway	9,330	6,647	6,388	3,906	3,191	5.21
Fire Protection Services	349	249	239	146	119	0.19
Parks and Recreation Services ¹	5,282	3,763	3,616	2,211	1,806	0.74
Library Services	619	441	424	259	212	0.09
Growth Studies ²	692	493	474	290	237	0.39
Total Municipal Wide Services/Classes of Services	16,272	11,593	11,141	6,812	5,565	6.62
Urban Services						
Wastewater Services	2,762	1,968	1,891	1,156	945	1.90
Water Services	1,165	830	798	488	398	0.80
Total Urban Services	3,927	2,798	2,689	1,644	1,343	2.70
Total Municipal-Wide + Urban	20,199	14,391	13,830	8,456	6,908	9.32

¹ Previously presented as two separate charges for Indoor and Outdoor Recreation Services

² Previously presented as Administration

Note: the above figures will need to be indexed to 2022\$ at 24.1%

Rate Comparison – Residential (2018\$)



Service/Class of Service	Current As per By-law 4023(2018) as amended by By-law 4149(2019) (2018\$)	Calculated D.C. based on 2021 Update (2018\$)
Municipal Wide Services/Classes of Services:		
Services Related to a Highway	9,330	9,330
Fire Protection Services	349	349
Parks and Recreation Services ¹	3,581	5,282
Library Services	563	619
Growth Studies ²	678	692
Total Municipal Wide Services/Classes of Services	14,501	16,272
Urban Services:		
Wastewater Services	2,762	2,762
Water Services	1,165	1,165
Total Urban Services	3,927	3,927
Grand Total - Urban Area	18,428	20,199

¹ Previously presented as two separate charges for Indoor and Outdoor Recreation Services

² Previously presented as Administration

Rate Comparison – Non-Residential (2018\$)

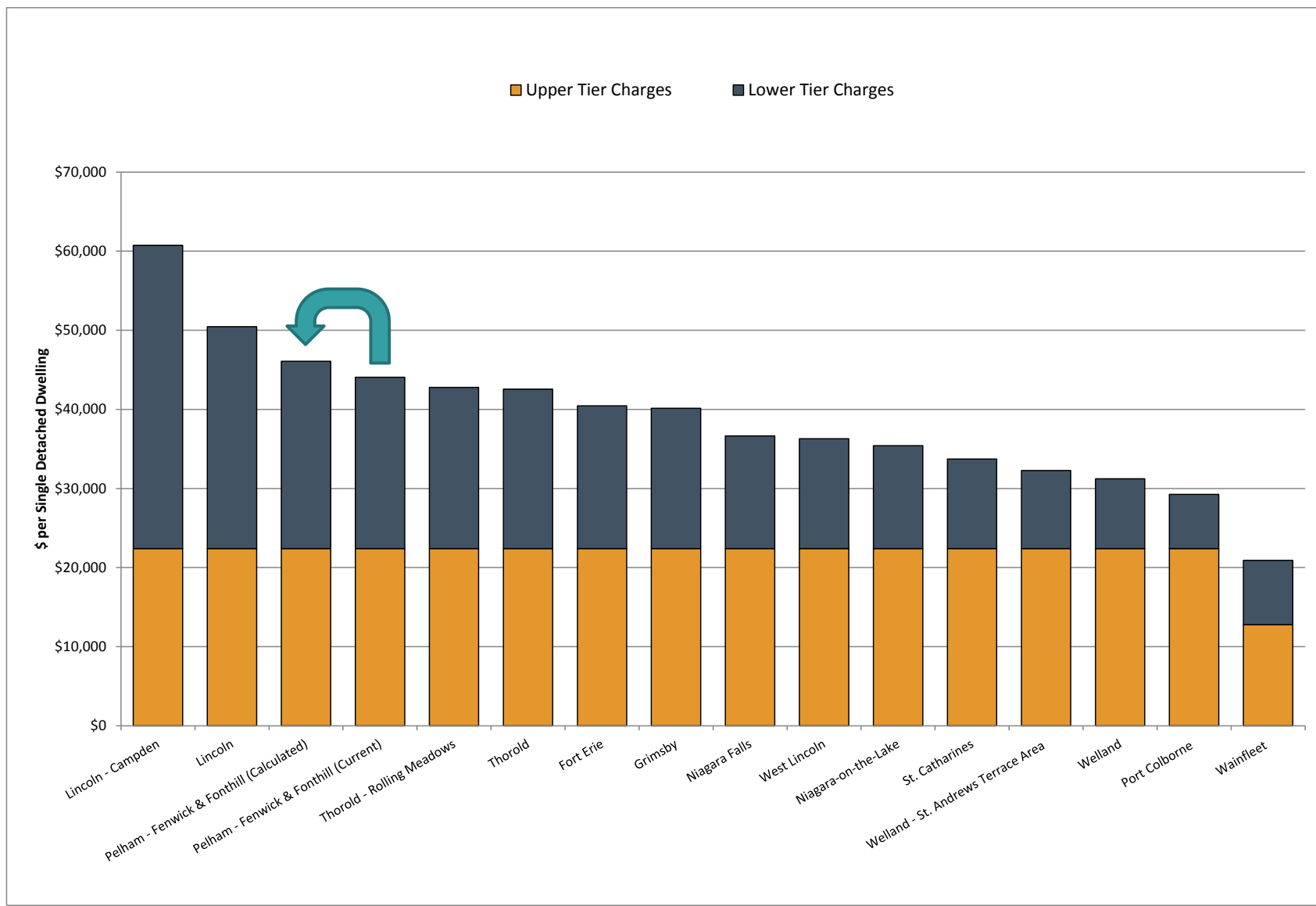


Service/Class of Service	Current As per By-law 4023(2018) as amended by By-law 4149(2019) (2018\$)	Calculated D.C. based on 2021 Update (2018\$)
Municipal Wide Services/Classes of Services:		
Services Related to a Highway	5.21	5.21
Fire Protection Services	0.19	0.19
Parks and Recreation Services ¹	0.49	0.74
Library Services	0.08	0.09
Growth Studies ²	0.39	0.39
Total Municipal Wide Services/Classes of Services	6.36	6.62
Urban Services:		
Wastewater Services	1.90	1.90
Water Services	0.80	0.80
Total Urban Services	2.70	2.70
Grand Total - Urban Area	9.06	9.32

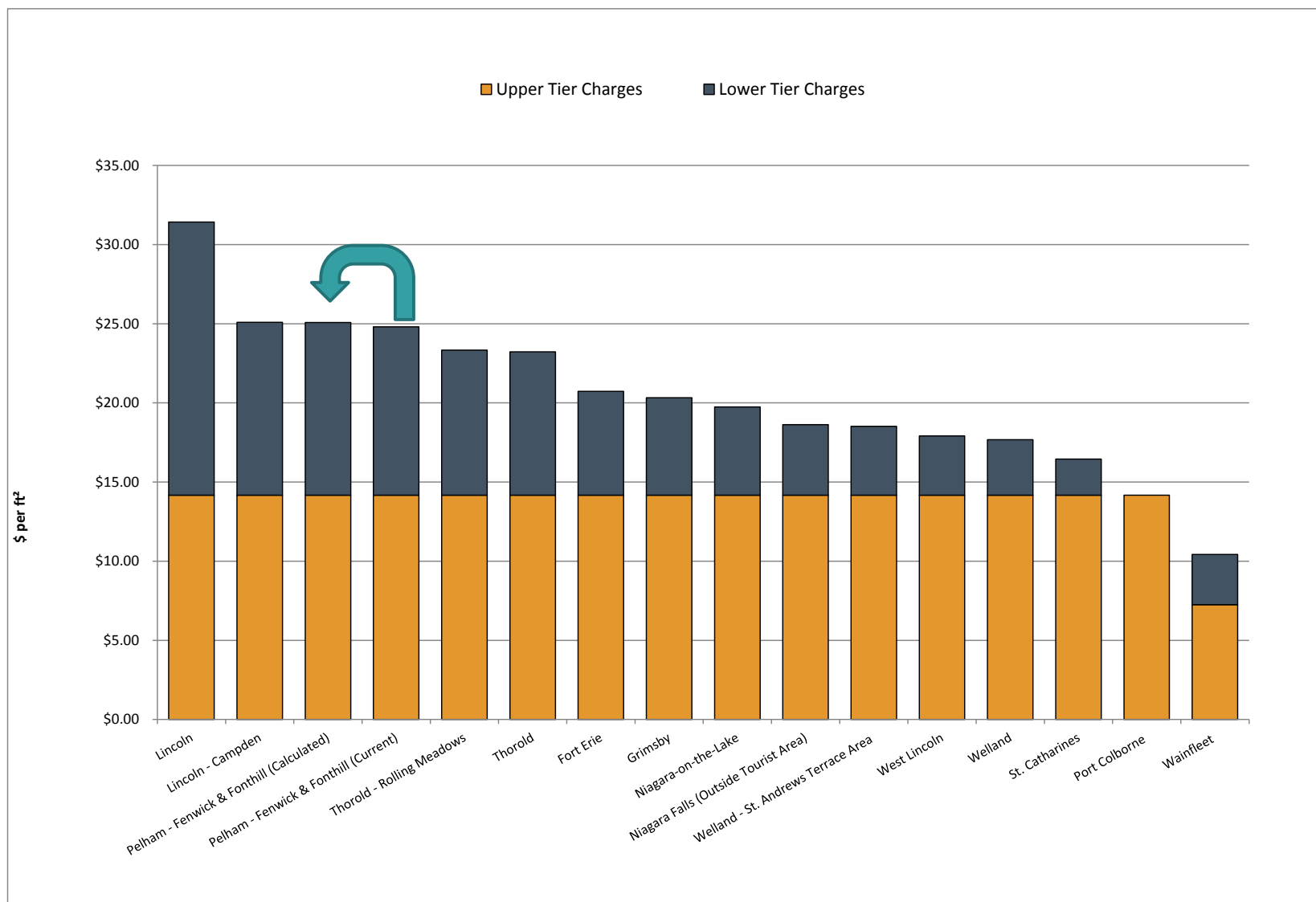
¹ Previously presented as two separate charges for Indoor and Outdoor Recreation Services

² Previously presented as Administration

Residential (per single-detached unit) Development Charges Comparison (2022)

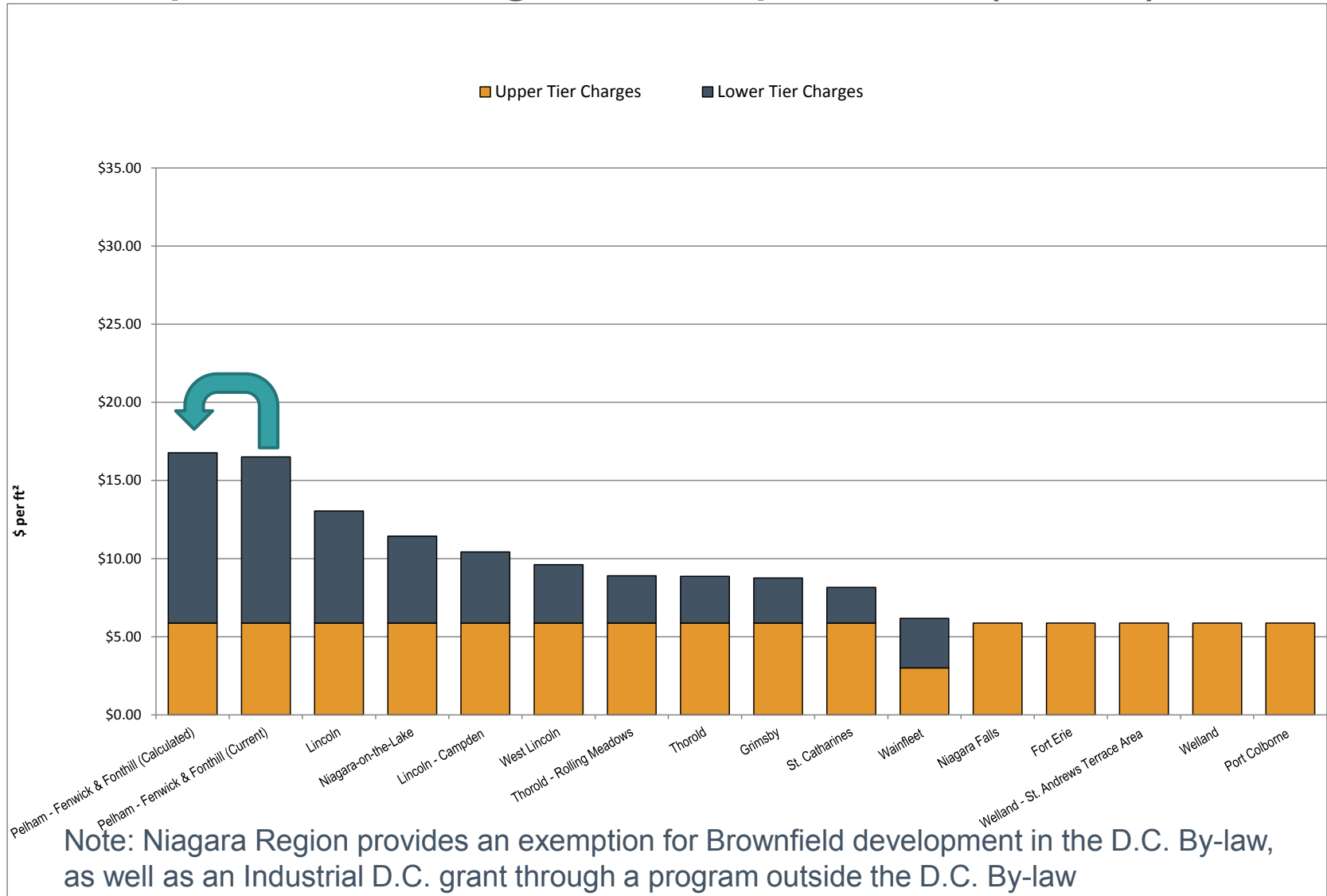


Non-Residential – Commercial (per sq.ft.) Development Charges Comparison (2022)





Non-Residential – Industrial (per sq.ft.) Development Charges Comparison (2022)



Next Steps



By-law Passage
(March 7, 2022)