

Council Information Session

2022 DC Study & CBC Strategy



TOWN OF NEWMARKET

Monday, February 28th, 2022



Discussion Topics

- **DC Study**

- Development Forecast
- Historical Service Levels & Funding Envelopes
- DC Capital Program Summary
- Draft DC Rates

- **CBC Study**

- Legislative Update
- CBC Capital Program Summary
- CBC Revenue Estimate

- **Timeline / Next Steps**

Purpose of Project

1. Amendment to the DC Study & By-laws

Process for amending DC by-law is identical to a full update but scoped just to the following services:

- Library
- Parks and Recreation
- Development Related Studies
- Waste Diversion

- Amending the by-law to reflect other legislative changes (e.g. secondary unit exemption, timing of determination and payment of DCs)

2. CBC Strategy

- Replacing “density bonusing” s.37 in the Planning Act

Background

- Council passed three (3) Development Charges By-laws on July 18th, 2019 that imposed rates for the following services:
- By-law 2019-46
 - Fire
 - Waste Diversion
 - Services Related to a Highway
 - Roads and Related
 - Public Works
- By-law 2019-47
 - General Government (Development Related Studies)
 - Library
 - Parks & Recreation
 - Municipal Parking*
- By-law 2019-48 - Northwest Quadrant ASDC

Key Requirements:

- Prepare a DC Background Study
- Hold a public meeting
- Council to pass a new DC by-law (life of 5 years)

By-laws 2019-46, 2019-47 & 2019-48 will expire **July 18, 2024**

Note: Municipal Parking not eligible for update, rates permitted to be collected until CBC By-law passed OR September 18, 2022.

Changes in Effect as of September 17, 2020

- Two years to transition to the new regimes. Municipalities may continue to levy development charges for services outside those prescribed under section 2(4) of the Development Charges Act until the earlier of:
 - September 17, 2022;
 - The date the municipality's DC by-law, as it relates to those services, is repealed; or
 - The date a CBC by-law is passed.
- Parkland changes
- Density bonusing (Section 37) tool no longer applies after September 17, 2022

Changes as of January 1, 2020: When are DCs Determined and Paid?

Note: Interest is applied during both of the time periods below as per Town's policy.

DC Base Rates Established

- Applies to development applications received after Jan 1, 2020
- The day of application for site plan control; or, if not applicable
- The day of application for rezoning; or, if neither apply
- The day of building permit issuance.
- Frozen rates are valid for 2 years following planning application approval; if time elapses rates are determined at building permit

DCs payable at first building permit issuance.

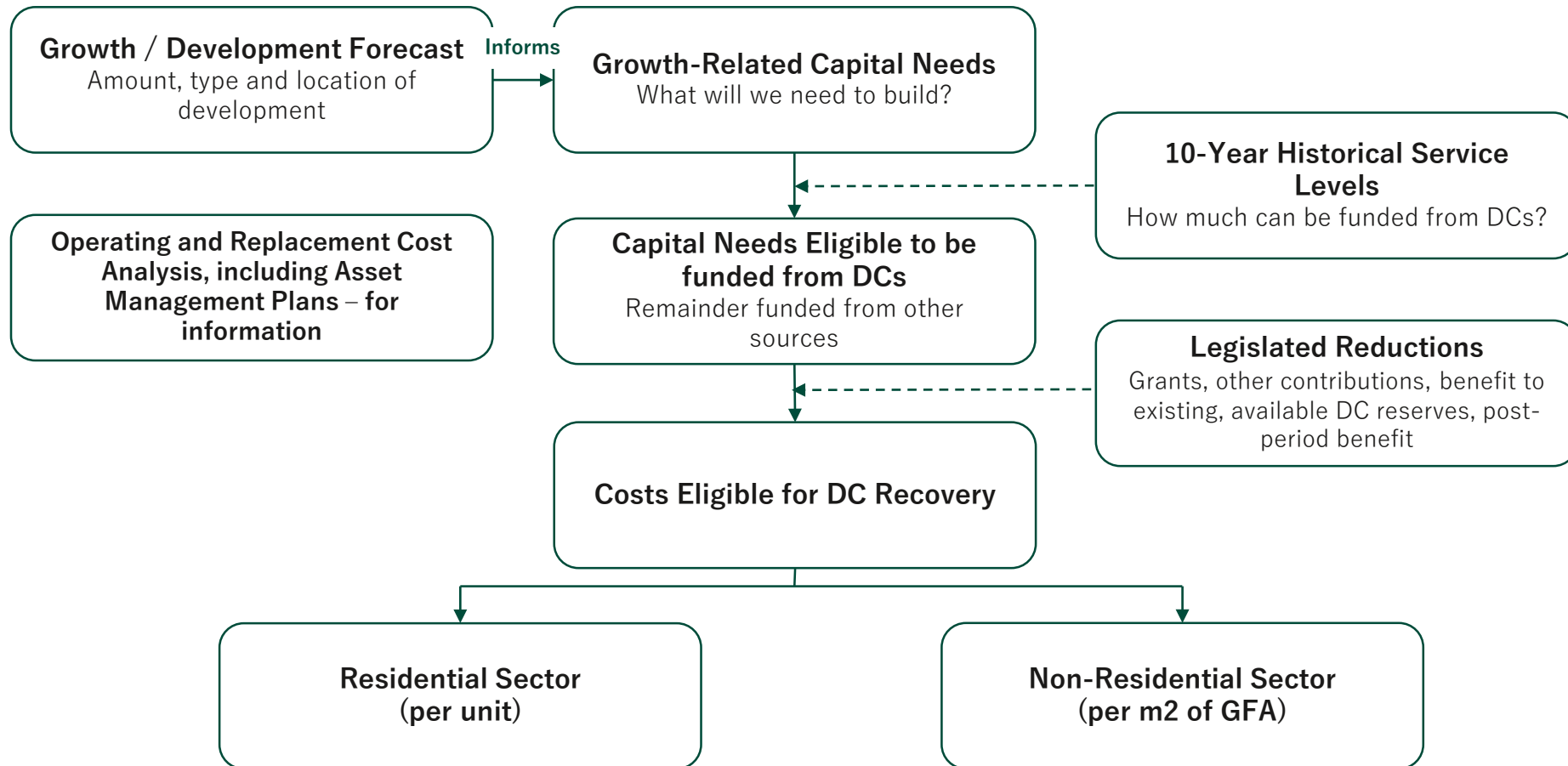
DC Payment Deferred

- Applies to prescribed types of development
- Rental housing (5 years – 6 installments)
- Institutional development* (5 years – 6 installments)
- Non-profit housing (20 years – 21 installments)

*As defined in the legislation

Initial installment paid at occupancy (permit or actual) and annually thereafter

Development Charges Study Process



DC Growth Forecast

Growth Forecast	2021	2022 - 2028	
		Growth	Total at 2028
Residential			
Total Occupied Dwellings	30,791	2,747	33,539
Total Population			
Census	89,724	5,490	95,214
<i>Population In New Dwellings</i>		<i>5,899</i>	
Non-Residential			
Employment	41,755	2,205	43,961
Non-Residential Building Space (sq.m.)		122,287	

Notes:

- 2031 OP targets maintained
- 2028 targets from 2019 DC Study maintained

10-Yr Historical Serv. Levels & Max. Allowable FE

Service	Service Level (\$/Capita)	Maximum Allowable Funding Envelope (\$M)
Development-Related Studies	n/a	n/a
Library Services	\$407.96	\$2.24
Parks & Recreation	\$4,548.48	\$24.97
Waste Diversion Services	\$194.54	\$1.07

Note:

- Service levels higher than those in 2019 influenced by various factors:
 - Increased cost of replacing existing infrastructure (building costs, land, etc.)
 - Additional assets acquired since 2019 Study

Summary of DC Capital Programs

Service	Development-Related Capital Program (2022 - 2028)				Total DC Eligible Costs for Recovery (\$000)
	Net Municipal Cost (\$000)	Replacement & Benefit to Existing (\$000)	Available DC Reserves (\$000)	Post-2028 Benefit (\$000)	
1.0 DEVELOPMENT RELATED STUDIES	\$3,037.5	\$1,317.4	\$115.0	\$919.4	\$685.8
2.0 LIBRARY	\$35,623.0	\$16,633.0	\$3,282.8	\$13,467.3	\$2,239.9
3.0 PARKS & RECREATION	\$75,935.5	\$3,930.0	\$15,849.3	\$31,183.1	\$24,973.1
4.0 WASTE DIVERSION SERVICES	\$753.5	\$0.0	\$66.2	\$343.6	\$343.6
TOTAL	\$115,349.5	\$21,880.4	\$19,313.3	\$45,913.4	\$28,242.4

Draft Calculated DCs

Service	Residential Charge By Unit Type				Non-Residential
	Singles & Semis	Rows & Other Multiples	Apartments 700 sq. ft. or Greater	Small Units Under 700 sq. ft.	Charge per Square Metre
Development Related Studies	\$308	\$241	\$183	\$131	\$1.71
Library	\$1,138	\$893	\$676	\$483	\$0.00
Parks & Recreation	\$15,837	\$12,422	\$9,401	\$6,715	\$0.00
Waste Diversion Services	\$213	\$167	\$126	\$90	\$0.00
Subtotal	\$17,496	\$13,723	\$10,386	\$7,419	\$1.71
<i>Other Town-Wide Services</i>	\$13,405	\$10,515	\$7,959	\$5,684	\$70.16
Fire Services*	\$946	\$742	\$562	\$401	\$4.98
Services Related to a Highway, Water, Wasterwater & Storm*	\$12,459	\$9,773	\$7,397	\$5,283	\$65.18
TOTAL CHARGE	\$30,901	\$24,238	\$18,345	\$13,103	\$71.87
(1) Based on Persons Per Unit Of:	3.54	2.78	2.10	1.50	

* Previously calculated.

Current vs. Calculated Residential Charge (\$/SDU)

Service	Residential (\$/SDU)			
	Current Residential Charge	Calculated Residential Charge	Difference in Charge	
Development Related Studies	\$277	\$308	\$31	11%
Library	\$1,056	\$1,138	\$82	8%
Parks & Recreation	\$15,284	\$15,837	\$553	4%
Waste Diversion Services	\$175	\$213	\$38	22%
Municipal Parking**	\$483	\$0	(\$483)	-100%
Subtotal	\$17,275	\$17,496	\$221	1%
<i>Other Town-Wide Services</i>	\$13,405	\$13,405	\$0	0%
Fire Services*	\$946	\$946	\$0	0%
Services Related to a Highway, Water, Wasterwater & Storm*	\$12,459	\$12,459	\$0	0%
TOTAL CHARGE	\$30,680	\$30,901	\$221	1%

* Previously calculated.

**No longer eligible for recovery under the DCA.

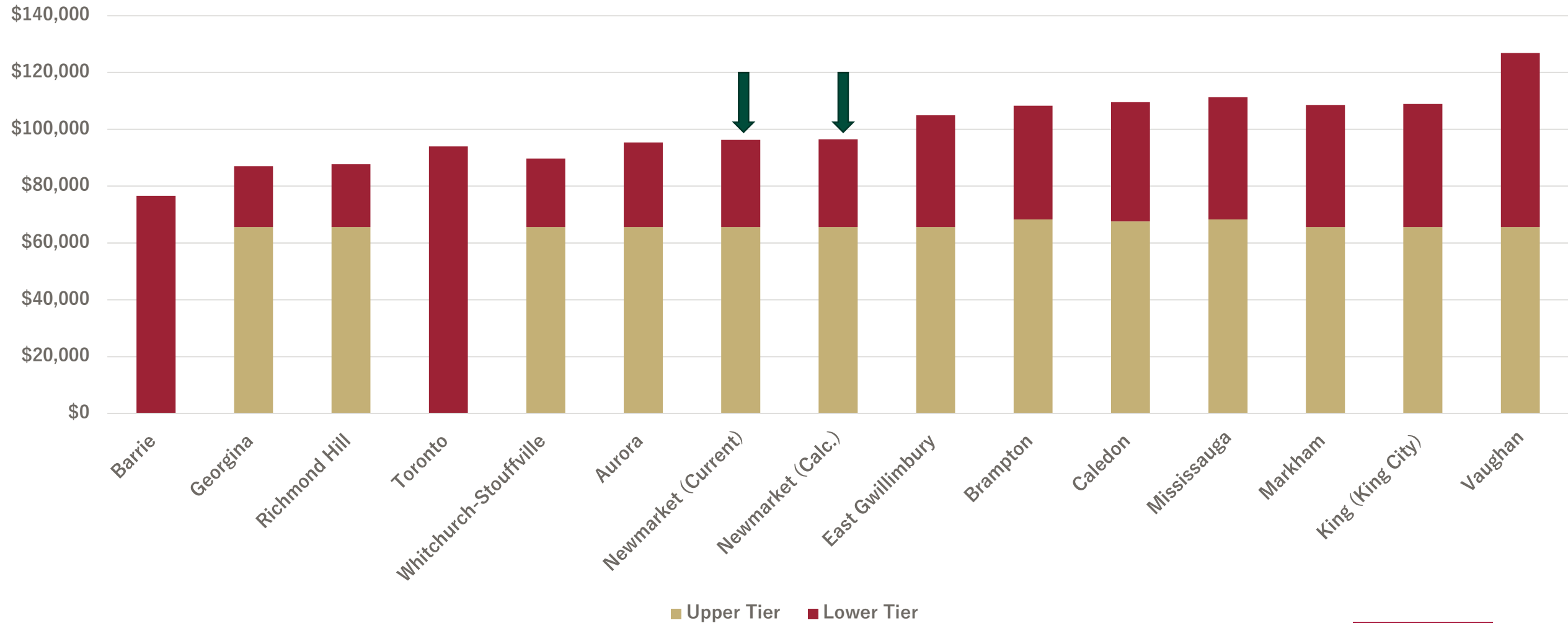
Current vs. Calculated Non-Res. Charge (\$/Sq.M)

Service	Non-Residential (\$/Square Metre)			
	Current Non-Residential Charge	Calculated Non-Residential Charge	Difference in Charge	
Development Related Studies	\$1.43	\$1.71	\$0.28	19%
Library	\$0.00	\$0.00	\$0.00	n/a
Parks & Recreation	\$0.00	\$0.00	\$0.00	n/a
Waste Diversion Services	\$0.00	\$0.00	\$0.00	n/a
Municipal Parking**	\$2.51	\$0.00	(\$2.51)	-100%
Subtotal Development Related Studies	\$3.94	\$1.71	(\$2.23)	-57%
<i>Other Town-Wide Services</i>	\$70.16	\$70.16	\$0.00	0%
Fire Services*	\$4.98	\$4.98	\$0.00	0%
Services Related to a Highway, Water, Wasterwater & Storm*	\$65.18	\$65.18	\$0.00	0%
TOTAL CHARGE	\$74.10	\$71.87	(\$2.23)	-3%

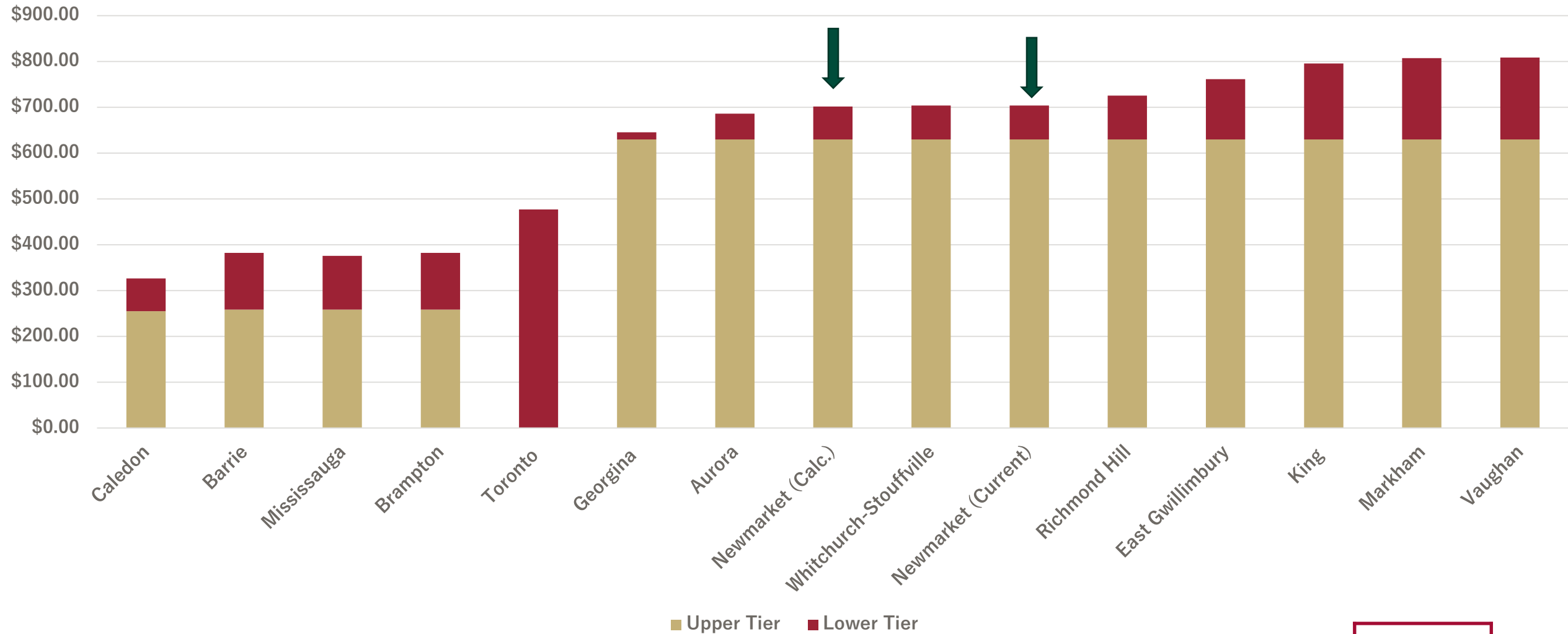
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Residential Rate Comparison (\$/SDU)

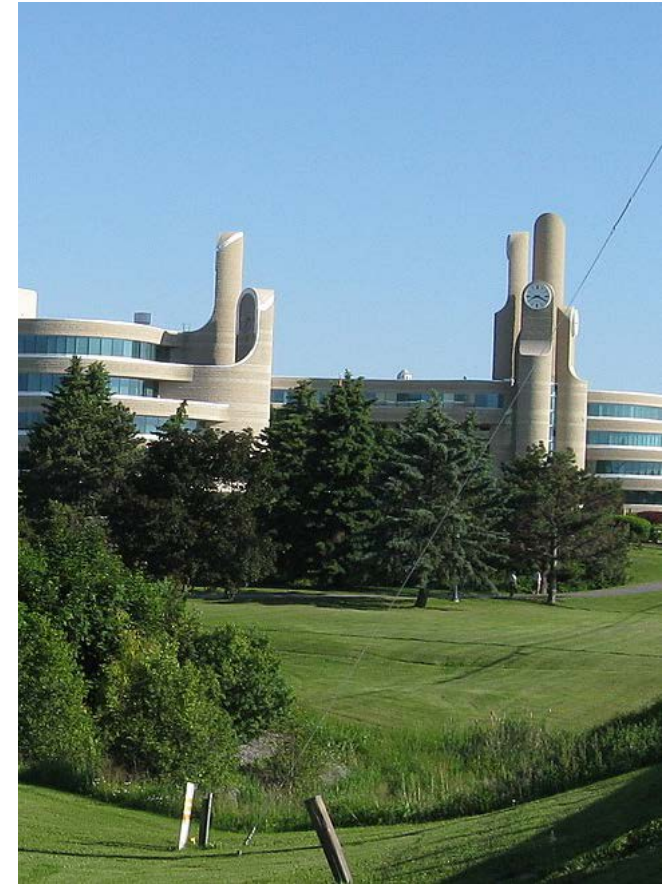


Non-Residential Rate Comparison (\$/SqM) - Retail



DC By-law Policy Changes

- York Region 2022 DC By-law Update Changes
 - Treatment of stacked townhomes from rows unit category to apartments
 - Expanding the unit category of “small apartment” to include any small units below 700sq.ft. regardless of built form
- Town DC By-law to be updated to be in-line with the changes in the Region’s By-law.
- Review of redevelopment timeframe to line up with Region



Planning Act: Community Benefits Charges (CBCs)

- Height/density “bonusing” under s.37 of Planning Act now gone
- Replaced by CBC for growth-related capital—can overlap with DCs
- In-kind contributions permitted (credits given)
- Deadline: **September 18, 2022**



CBCs – Legislative Basics

- Imposed by by-law (no term limit)
- Only local municipalities can charge
- Can only be levied against higher density development
 - 5 or more storeys, &
 - 10 or more residential units
- Requires a “strategy”
- Legislation does not prescribe CBC rate structure

Regulation sets cap at **4%** of land value the day before a building permit is issued

CBC Capital Program Summary (\$000) & Revenue Estimate

Forecasted CBC Revenue (10 years):

- **Low** (75% of apartment units are CBC eligible) = **\$2.44 M**
- **High** (85% of apartment units are CBC eligible) = **\$2.77M**

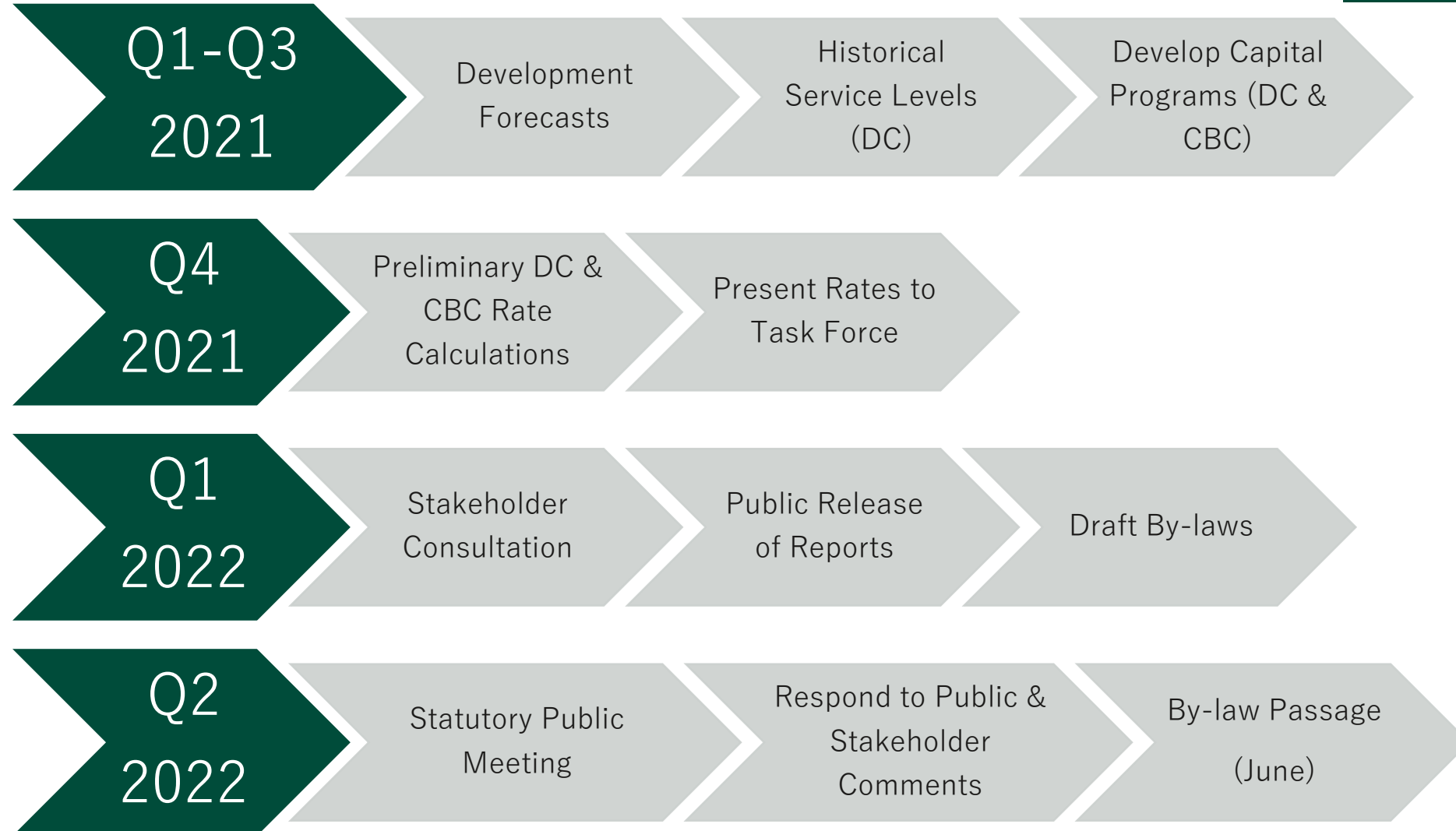
Service	Gross Project Cost	Grants / Subsidies / Other Recoveries		Net Cost	Replacement & BTE (\$)	Total	
						Development Related Cost	Total CBC Related Costs
1.0 CIVIC ADMINISTRATION	\$1,916	\$0		\$1,865	\$538	\$1,378	\$548
2.0 LIBRARY	\$27,123	\$0		\$27,123	\$12,508	\$14,615	\$6,127
3.0 AFFORDABLE HOUSING	\$2,000	\$0		\$2,000	\$0	\$2,000	\$2,000
4.0 PARKS & RECREATION	\$44,750	\$0		\$44,750	\$0	\$44,750	\$12,232
5.0 MUNICIPAL PARKING	\$10,100	\$0		\$10,100	\$5,050	\$5,050	\$1,638
6.0 PUBLIC REALM	\$4,000	\$0		\$4,000	\$0	\$4,000	\$4,000
TOTAL COST	\$89,889	\$0		\$89,838	\$18,096	\$71,793	\$26,545

CBC Strategy and Rate Structure

- To be levied as a function of land value (similar to current process for parkland cash-in-lieu) capped at 4%
- To be applied Town-wide in a uniform manner
- CBC Strategy to contain details on CBC development forecast, capital program, and relationship to other growth-funding tools.
- CBC By-law can be appealed to Ontario Land Tribunal



DC / CBC Project Timeline



Next Steps

- Industry consultation – **March 2022**
- Release of the DC Background Study and CBC Strategy – **April 6th 2022**
- Public Meeting – **May 9th 2022**
- Committee of the Whole – **May 30th, 2022**
- Anticipated Date of Passage – **June 6th, 2022**