

The background of the slide features a photograph of the York Region clock tower, a prominent landmark with two tall, cylindrical towers and two clock faces. The building is modern with large glass windows and a curved facade. The sky is clear and blue. The text is overlaid on the right side of the image.

# DRAFT 2022 DEVELOPMENT CHARGES BYLAW AND BACKGROUND STUDY

Presented to  
**COMMITTEE OF THE WHOLE**

Presented by  
**Kelly Strueby, Acting Commissioner of Finance**

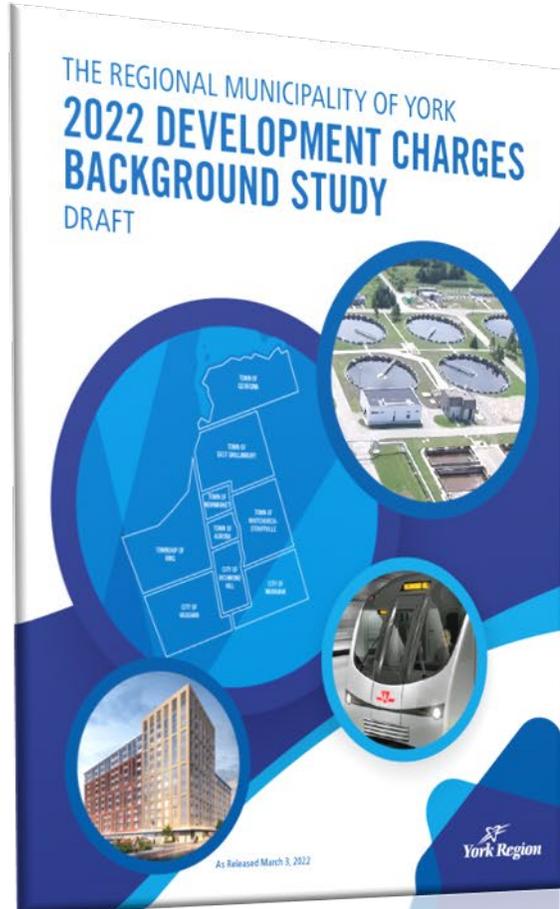
March 3, 2022

eDocs # 13625623

The logo for York Region, featuring a stylized white bird or wing icon above the text "York Region" in a white serif font.

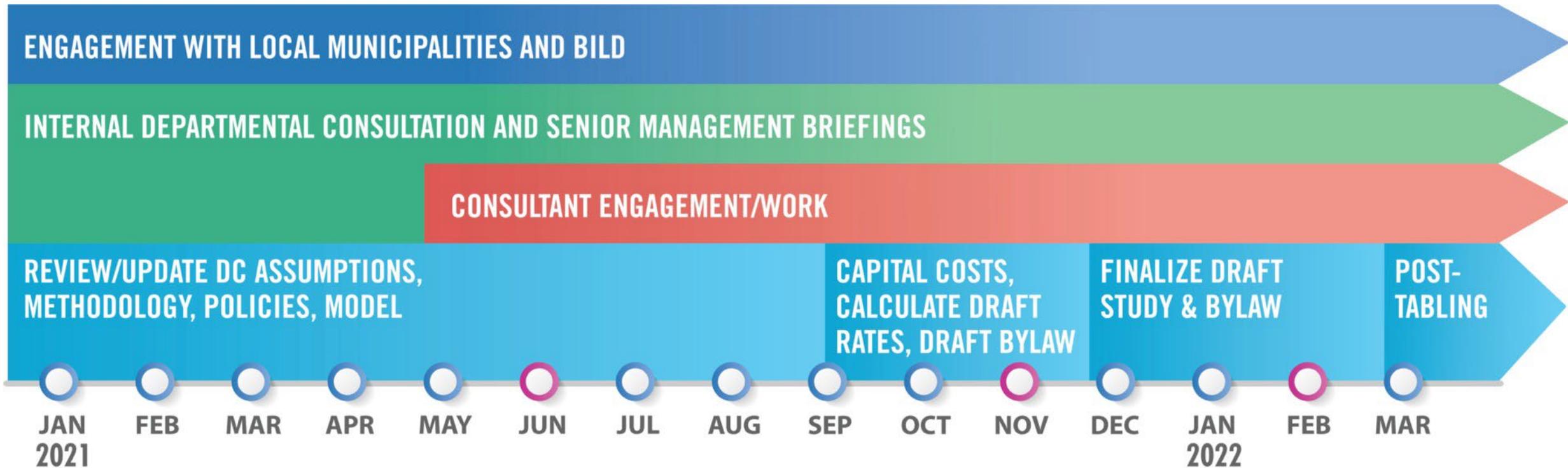
**York Region**

# AGENDA



1. Legislative Context and Background
2. Anticipated Growth and Related Capital Program
3. Proposed Rates
4. Next steps

# THE PATH TO TABLING THE BYLAW



# THE PROPOSED BYLAW IS THE CULMINATION OF MORE THAN A YEAR OF POLICY DEVELOPMENT, ANALYSIS, AND CONSULTATIONS

- Since Q1 of 2021, staff regularly met with representatives of local municipalities and members of the BILD working group
- Discussion topics included:
  - ✓ Bylaw process
  - ✓ Planning horizon and Growth forecast
  - ✓ Growth capital program (i.e., Roads, Water/Wastewater)
  - ✓ YNSE funding assumptions
  - ✓ DC Policies
  - ✓ Potential area-specific development charges





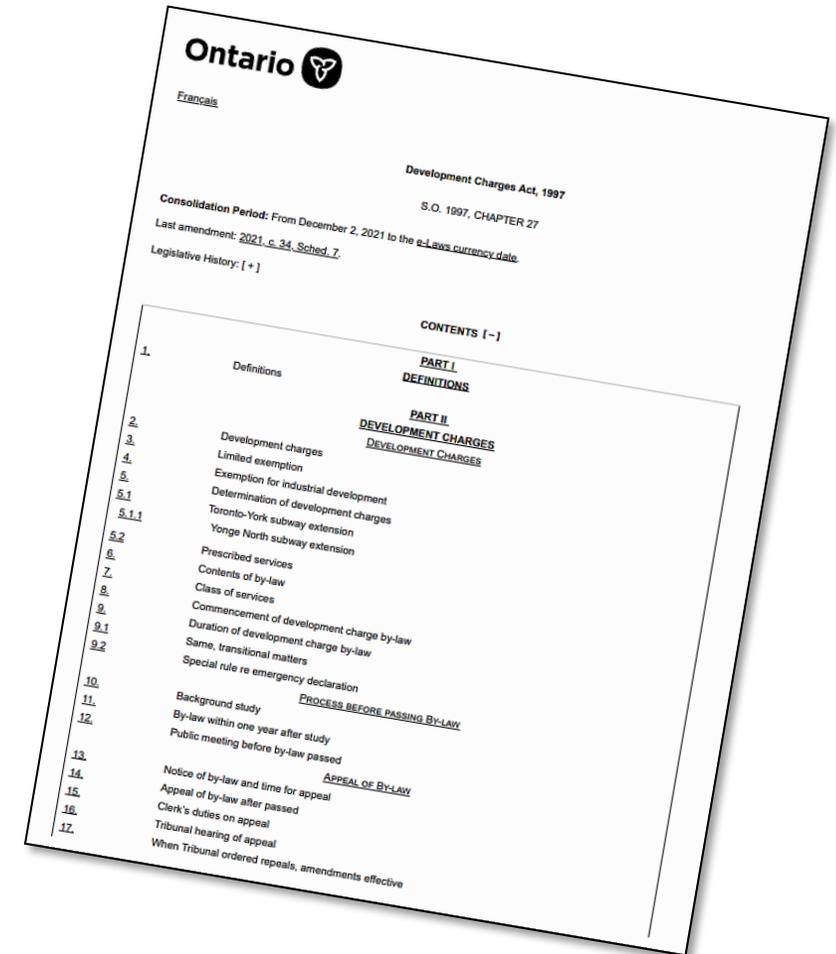
# LEGISLATIVE CONTEXT AND BACKGROUND



*York Region*

# LEGISLATIVE CONTEXT

- Development charges are levied on new development and are the primary source of funding for growth related infrastructure
- It is a cost recovery tool premised upon “Growth paying for Growth”
- The *Development Charges Act, 1997* prescribes the rules for determining development charges rates
- The background study provides the basis of the rate calculation, including an estimate of the anticipated growth and infrastructure costs to support growth



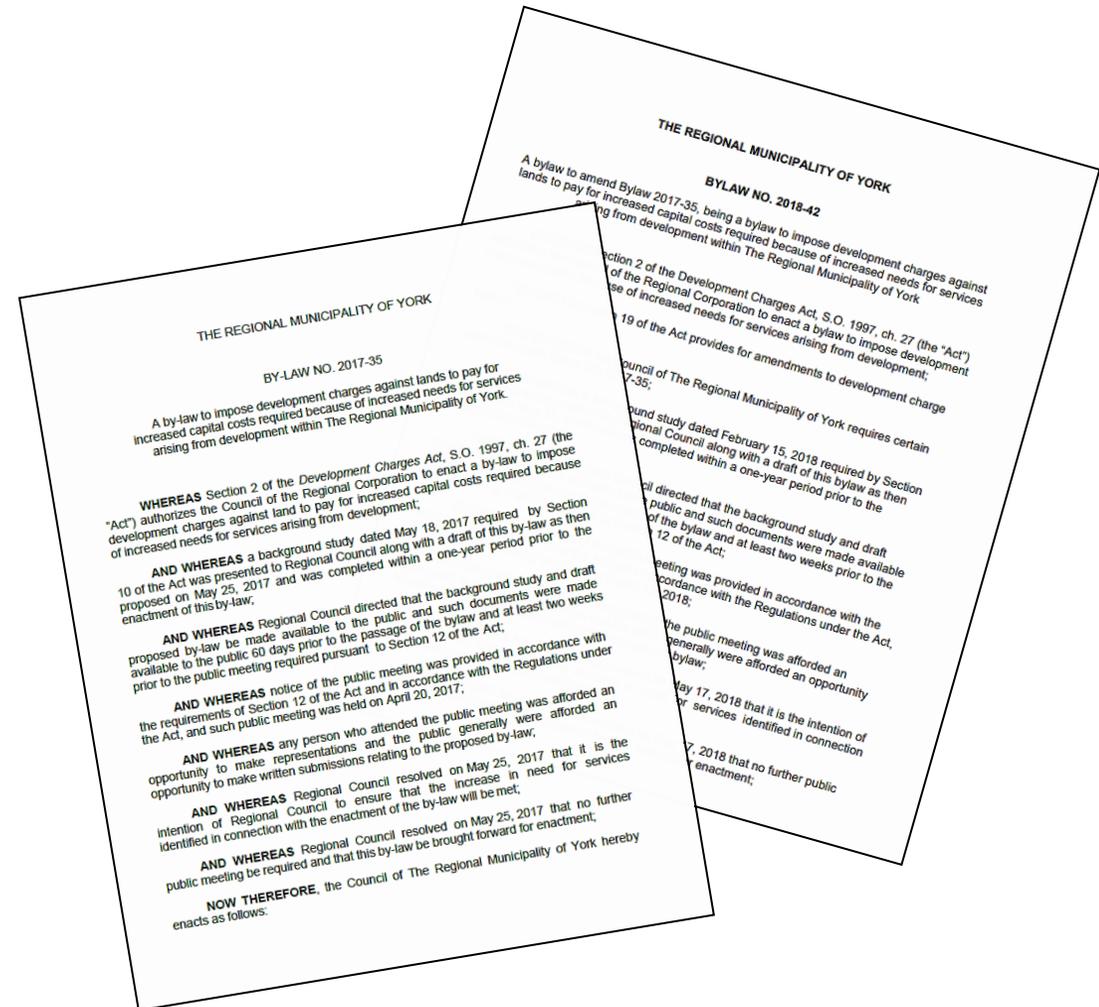
The image shows a tilted page from the Ontario Development Charges Act, 1997. At the top left is the Ontario logo. The title 'Development Charges Act, 1997' is centered, with 'S.O. 1997, CHAPTER 27' below it. To the left, it states 'Consolidation Period: From December 2, 2021 to the e-Laws currency date' and 'Last amendment: 2021, c. 34, Sched. 7'. Below that is 'Legislative History: [+]'.

The main heading is 'CONTENTS [-]'. The table of contents is as follows:

Section	Section Title
1.	Definitions
<b>PART I</b>	
<b>DEFINITIONS</b>	
<b>PART II</b>	
<b>DEVELOPMENT CHARGES</b>	
<b>DEVELOPMENT CHARGES</b>	
2.	Development charges
3.	Limited exemption
4.	Exemption for industrial development
5.	Determination of development charges
5.1	Toronto-York subway extension
5.1.1	Yonge North subway extension
5.2	Prescribed services
6.	Contents of by-law
7.	Class of services
8.	Commencement of development charge by-law
9.	Duration of development charge by-law
9.1	Same, transitional matters
9.2	Special rule re emergency declaration
10.	<b>PROCESS BEFORE PASSING BY-LAW</b>
11.	Background study
12.	By-law within one year after study
	Public meeting before by-law passed
13.	<b>APPEAL OF BY-LAW</b>
14.	Notice of by-law and time for appeal
15.	Appeal of by-law after passed
16.	Clerk's duties on appeal
17.	Tribunal hearing of appeal
	When Tribunal ordered repeals, amendments effective

# THE CURRENT REGION-WIDE DEVELOPMENT CHARGES BYLAW (2017-35), AS AMENDED, EXPIRES ON JUNE 16, 2022

- To impose development charges, a municipal council must pass a development charge bylaw
- The current Region-wide Development Charge Bylaw came into effect in June 2017 and was subsequently amended in 2018
- A new development charges bylaw must come into effect on or before June 17, 2022, for the Region to continue to levy development charges



# REQUIREMENTS FOR PASSING A NEW DEVELOPMENT CHARGES BYLAW

## COMPLETE A BACKGROUND STUDY

- Demonstrate need for services to accommodate forecasted growth
- Consideration of area-specific development charges
- Include an asset management plan

## CONDUCT PUBLIC CONSULTATION

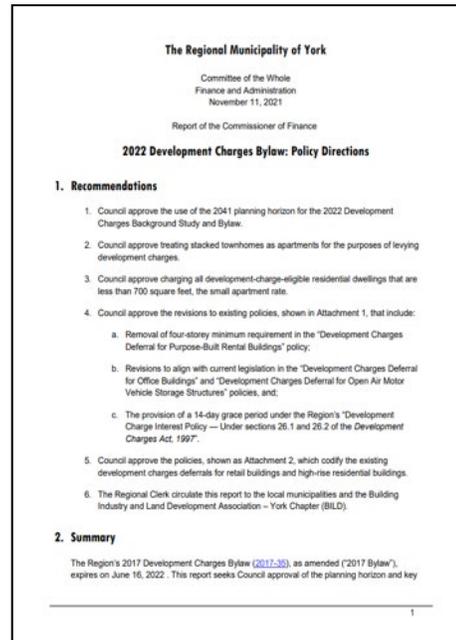
- At least one public meeting must be held, with 20 days notice
- Background study and proposed bylaw made available to the public at least 2 weeks before the first public meeting
- Background study available to the public at least 60 days prior to passing the bylaw

# THE 2022 BACKGROUND STUDY AND BYLAW WILL REFLECT RECENT LEGISLATIVE CHANGES

LEGISLATIVE CHANGES	IMPACT
Treat Yonge North Subway Extension (YNSE) as a discrete service with a 20-year planning horizon	Faster recovery of costs and reduction in debt financing requirement
Removal of 10% Statutory deduction for some general services (e.g., Waste Diversion, Housing Services)	Greater share of costs eligible for DC recovery
Removal of 10-year planning horizon limitation, except for transit	Potential to include capital projects that service growth beyond 10 years
Freezing provisions and installment payments	Could potentially delay DC collections

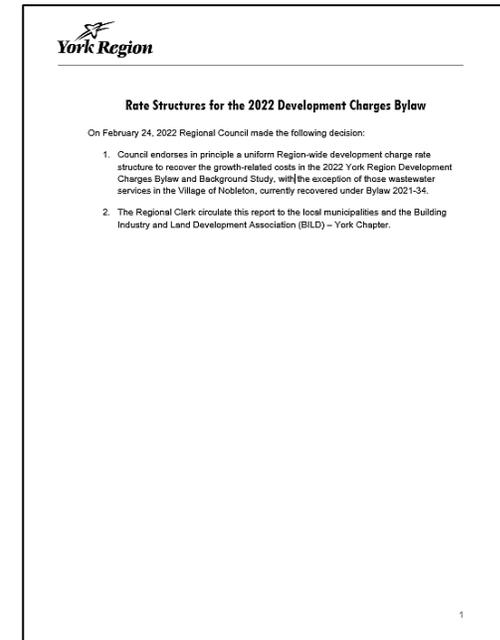
# COUNCIL PROVIDED DIRECTION TO GUIDE THE BYLAW UPDATE PROCESS

## November 2021



- Planning horizon to 2041
- Policies to facilitate mix and range of housing options

## February 2022



- Uniform rate structure for all services

# THE 2022 DEVELOPMENT CHARGES BYLAW WILL REFLECT CHANGES TO FACILITATE A MIX AND RANGE OF HOUSING OPTIONS



Treat stacked townhomes as apartments



Charge any residential dwelling <700 sq. ft. a small apartment rate



Exempt additional residential units, in both existing and new buildings



Exempt conversions of common spaces, in rental buildings, into additional new units

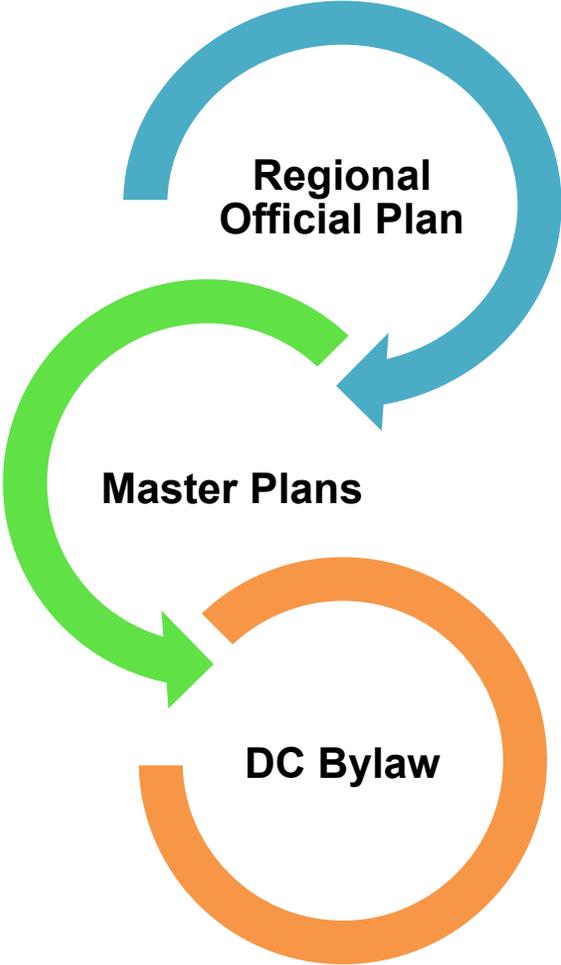


Removal of the four-storey minimum height requirement on “Development Charges Deferral for Purpose-Built Rental Buildings”

# ANTICIPATED GROWTH AND RELATED CAPITAL PROGRAM



# PROPOSED DC RATES REFLECT OFFICIAL PLAN GROWTH FORECASTS



**Conforms with the Provincial Growth plan for the GGH**



**Identifies required infrastructure to support growth**



**Funds the Master Plan Projects that support growth in the ROP**

# DEVELOPMENT CHARGES HELP SERVICE GROWTH TO 2041

## 168,279 RESIDENTIAL UNITS

to accommodate 476,300 people



50,489

Single and Semi-Detached Dwelling units



37,631

Multiple units



80,159

Apartment units

## 96 MILLION SQUARE FEET

to accommodate 160,000 employees



14.7 M sqft

Retail



1.6 M sqft

Hotel



46.4 M sqft

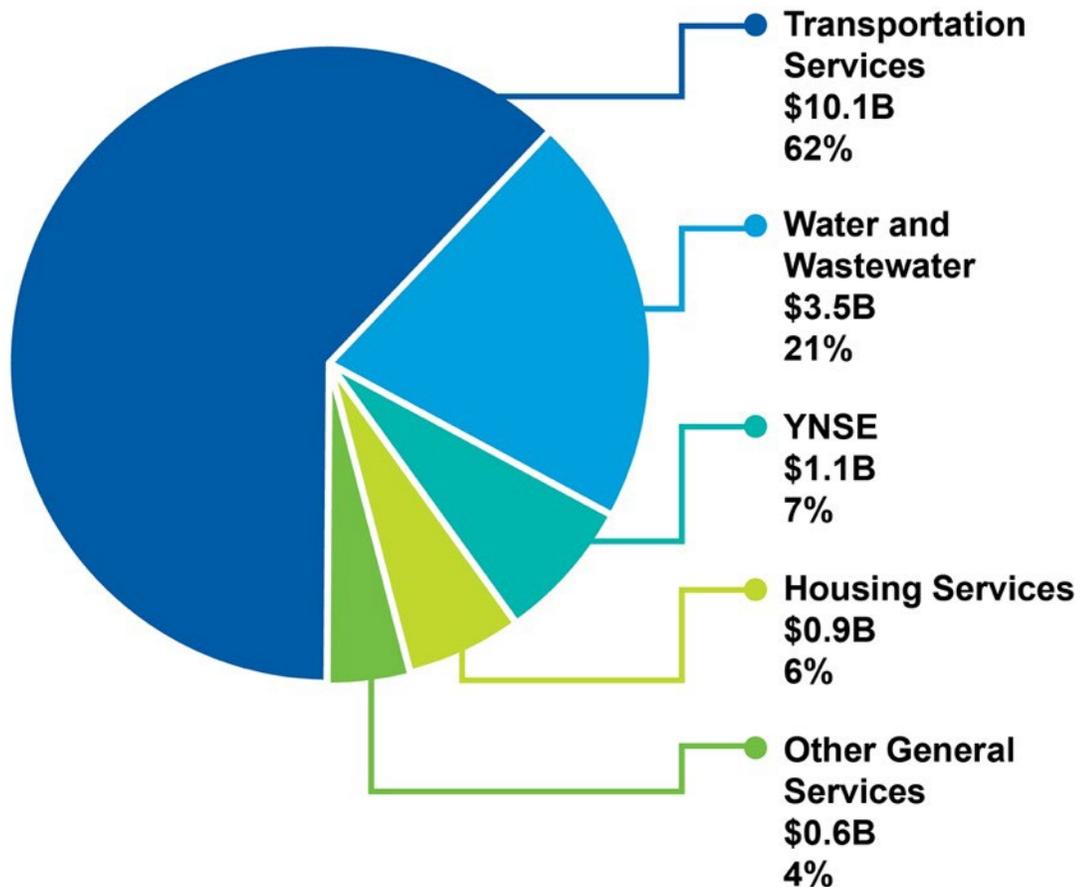
11.4 M sqft

22.0 M sqft

Industrial, Office and Institutional

# \$7.9 BILLION IN PROJECT COSTS ARE ELIGIBLE TO BE RECOVERED UNDER THE PROPOSED 2022 BYLAW

**Gross Project Costs by Service  
(\$16.2 Billion)**



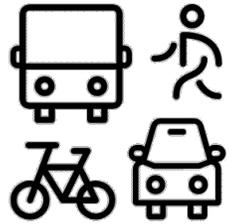
	\$ Billion
Gross Project Costs	16.2
Grants and Subsidies	(2.9)
Benefit to Existing Development deduction	(3.5)
<b>Project costs eligible for DC recovery</b>	<b>9.8</b>
Post Period Benefit deduction, Historic Level of Service Cap deduction	(1.9)
<b>DC eligible project costs recoverable through the 2022 DC Bylaw</b>	<b>7.9</b>

**Note:**

Transportation services include: Roads, Transit, TYSSE and Public Works

Other general services include: Waste Diversion, Police, Housing Services, Public Health, Ambulance Services, Growth Studies, Long Term Care/Seniors Services and Court Services

# THE 2022 DEVELOPMENT CHARGES BYLAW WILL HELP FUND VITAL GROWTH-RELATED INFRASTRUCTURE ACROSS THE REGION



**Roads and Transit program to support multimodal travel and electrification**



**Bus Rapid Transit**



**YNSE**



**Primary Trunk Sewer, Upper York Water Reclamation Centre**



**Unionville Commons**



**Facilities and equipment for growth**



**Future Keswick Paramedics Station**



**Source Separated Organic (SSO) Facility**

# THE 2022 DC BYLAW WILL ALSO HELP RECOVER \$2B IN OUTSTANDING DC DEBT

Service	\$ Millions
Water and Wastewater Services	1,293
Transportation Services	432
Toronto-York Spadina Subway Extension	222
Other General Services	85
<b>Total</b>	<b>2,031</b>

Note: Numbers may not sum due to rounding

Transportation services include: Roads, Transit, and Public Works

Other general services include: Waste Diversion, Police, Housing Services, Public Health, Ambulance Services, Growth Studies, Long Term Care/Seniors Services and Court Services

# PROPOSED RATES



# THE PROPOSED DC RATES REFLECT UPDATED OCCUPANCY TRENDS

## Change In Average Occupancy Forecast (Persons Per Unit)

DC Bylaw	Single and Semi-Detached Dwelling	Multiple Unit Dwelling	Large Apartment ≥ 700 Sq ft	Small Apartment < 700 Sq ft
2017	3.74	3.01	2.19	1.60
2022	3.81	3.17	2.46	1.60
<b>% Change</b>	<b>+2%</b>	<b>+5%</b>	<b>+12%</b>	<b>0%</b>

# PROPOSED 2022 DC RATES

## RESIDENTIAL

DC Rate Per Unit



Single and Semi Detached

\$77,873 +19%



Multiples

\$64,792 +23%



Large: \$50,280 +31%

Small: \$32,702 +17%

## NON-RESIDENTIAL

DC Rate Per Square Foot



Retail

\$60.58 +4%



Hotel

\$10.91 -5%



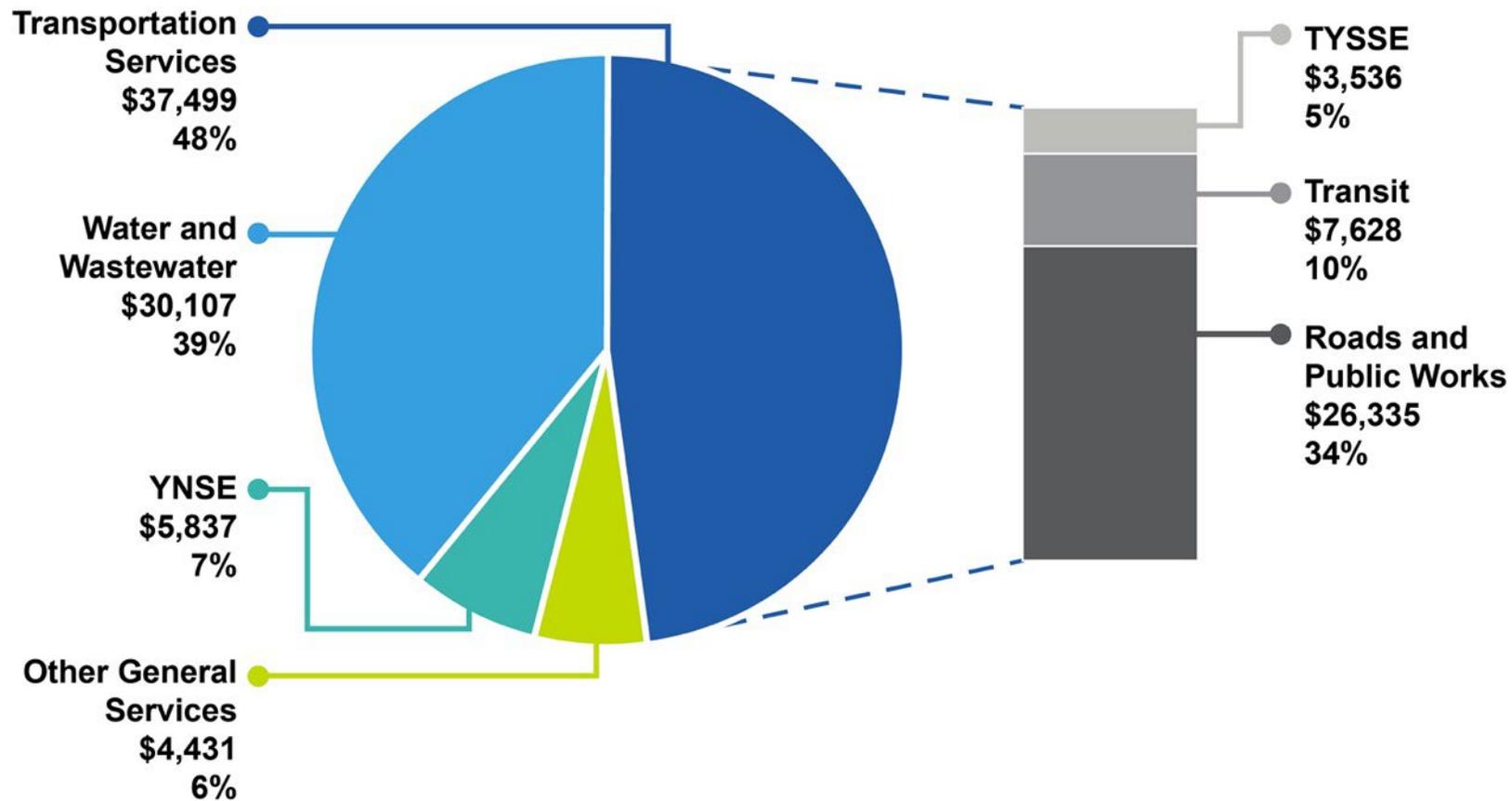
Industrial, Office and Institutional

\$24.70 +2%

Note: Figures do not include GO Transit, Nobleton, Local or Education DCs

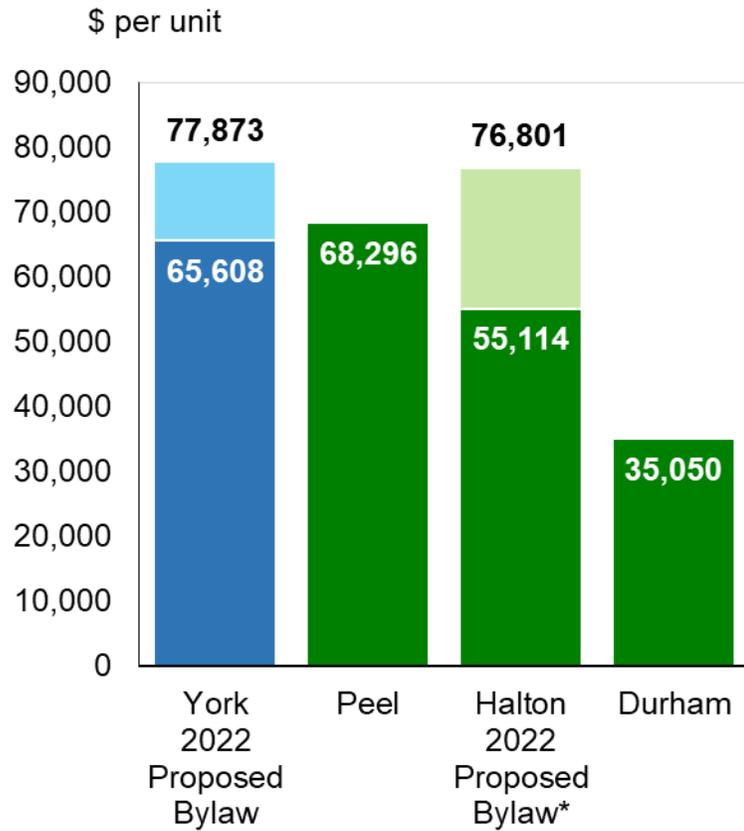
# BREAKDOWN OF THE PROPOSED RESIDENTIAL DC RATES

**Proposed 2022 Single and Semi-Detached Dwelling DC Rate by Service  
(\$77,873)**

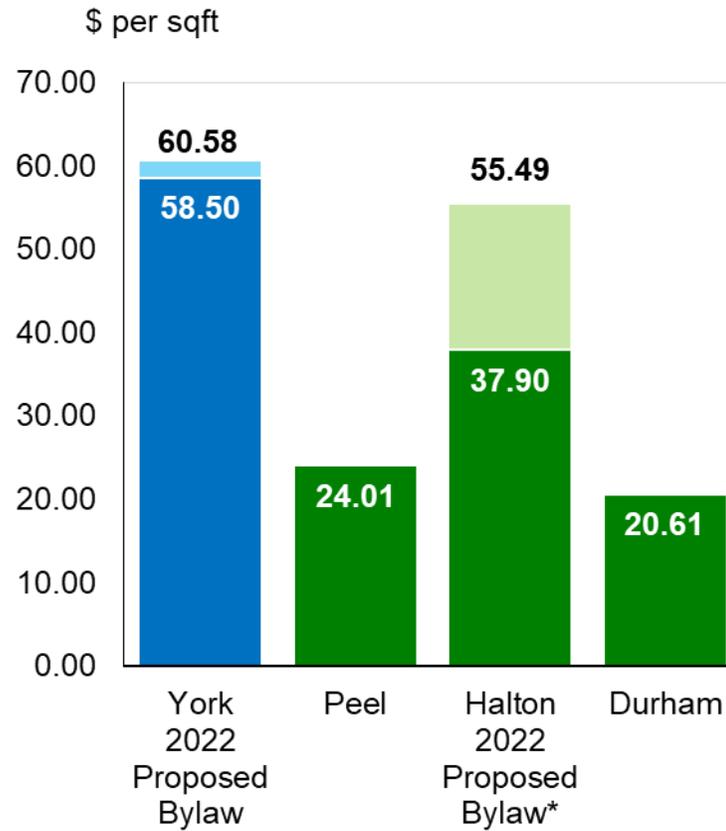


# REGIONAL MUNICIPALITIES FUND DIFFERENT SERVICES

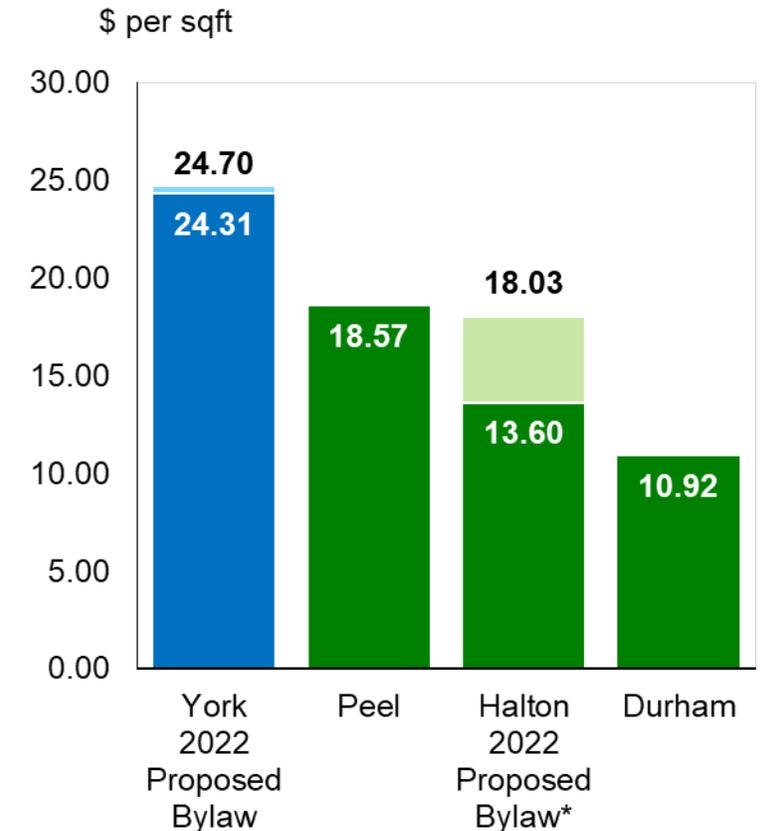
## Singles and Semis



## Retail



## IOI

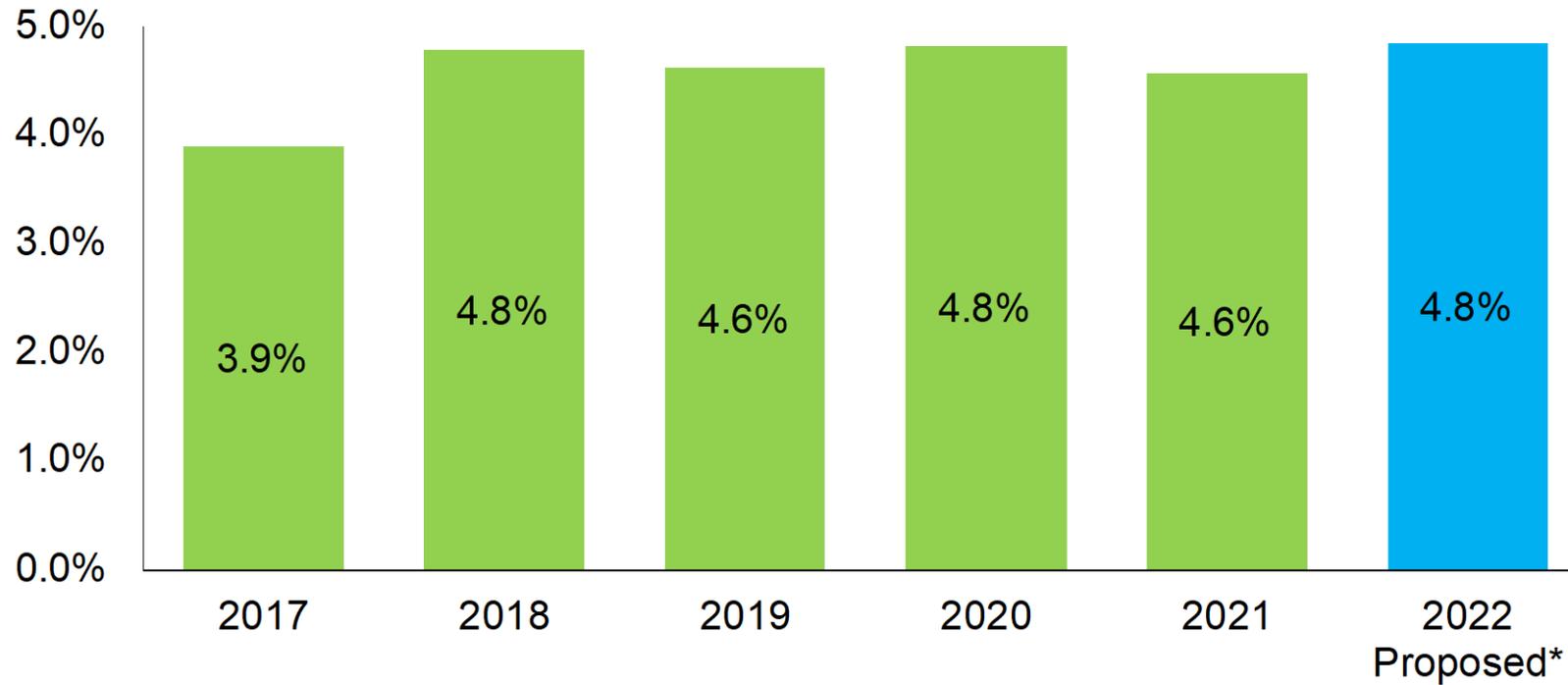


\*Greenfield Rates

\*\*Average of Institutional and Industrial Rate  
Peel and Halton – no transit and subway

# PROPOSED REGIONAL DEVELOPMENT CHARGES REPRESENT LESS THAN 5% OF THE PRICE OF A NEW HOME

## DC Rates as a Share of New Home Prices in York Region Singles and Semis



\*Forecasted 2022 housing price as of January 25, 2022

Notes: Rates as of July 1

Figures do not include GO Transit, Nobleton, Local or Education DCs

Data Source for housing prices: CMHC, average price of absorbed new single and semi-detached dwelling



# NEXT STEPS AND RECOMMENDATIONS



*York Region*

# NEXT STEPS

Key Dates	Deliverable
March 24, 2022	Public Meeting
May 26, 2022	2022 DC Background Study and Bylaw approval
June 17, 2022	2022 Bylaw and rates in effect

# RECOMMENDATIONS

1. Council receive the draft 2022 Development Charges Bylaw and Background Study (Attachment 1)
2. A report be brought forward to the May 26, 2022, meeting of Council recommending the approval of a 2022 Development Charges Bylaw
3. The Regional Clerk circulate this report to local municipalities and the Building Industry and Land Development Association – York Chapter (BILD)



APPENDIX —  
PROPOSED DEVELOPMENT  
CHARGES RATES



# SUMMARY OF GROWTH ASSUMPTIONS AND PROPOSED RATES

PLANNING HORIZON: 2022 TO 2041



**168,300**

RESIDENTIAL UNITS



**96 Million Sqft**

NON-RESIDENTIAL SPACE



GROWTH INFRASTRUCTURE COSTS  
**\$16.2 Billion**

Residential (\$ per unit)	Current Rates	2022 Proposed Rates	% Change
Single and Semi-Detached Dwellings	65,608	77,873	+19%
Multiple Unit Dwellings	52,814	64,792	+23%
Apartments >=700 sq. ft.	38,382	50,280	+31%
Apartments < 700 sq ft.	28,042	32,702	+17%
Non-residential (\$ per sq. ft.)	Current Rates	2022 Proposed Rates	% Change
Retail	58.50	60.58	+4%
Industrial/Office/Institutional	24.31	24.70	+2%
Hotel	11.44	10.91	-5%

Note: Figures do not include GO Transit, Nobleton, Local or Education DCs

# PROPOSED RESIDENTIAL DEVELOPMENT CHARGES RATES

Service	Single and Semi-detached Dwelling	Multiple Unit Dwelling	Large Apartment (>=700 sqft)	Small Apartment (<700 sqft)
<b><u>Hard Services</u></b>				
Water	9,041	7,522	5,838	3,797
Wastewater	21,065	17,527	13,601	8,846
Roads	25,748	21,423	16,625	10,813
<b>Subtotal Hard Services</b>	<b>55,855</b>	<b>46,472</b>	<b>36,064</b>	<b>23,456</b>
<b><u>General Services</u></b>				
Transit	7,628	6,346	4,925	3,203
Toronto-York Spadina Subway Extension	3,536	2,942	2,283	1,485
Yonge North Subway Extension	5,837	4,856	3,769	2,451
Public Works	587	488	379	246
Waste Diversion	366	304	236	154
Police	1,082	900	699	454
Housing Services	1,589	1,322	1,026	667
Public Health	389	323	251	163
Ambulance Services	766	637	494	322
Growth Studies	175	146	113	74
Long Term Care/Seniors Services	0	0	0	0
Court Services	65	54	42	27
<b>Subtotal General Services</b>	<b>22,018</b>	<b>18,319</b>	<b>14,216</b>	<b>9,246</b>
<b>Total</b>	<b>\$77,873</b>	<b>\$64,792</b>	<b>\$50,280</b>	<b>\$32,702</b>

# PROPOSED NON-RESIDENTIAL DEVELOPMENT CHARGES RATES

Service	(\$ per sqft)			(\$ per sqm)		
	Retail	Industrial/ Office/ Institutional	Hotel	Retail	Industrial/ Office/ Institutional	Hotel
<b><u>Hard Services</u></b>						
Water	4.26	2.86	0.92	45.85	30.78	9.90
Wastewater	9.96	6.69	2.14	107.21	72.01	23.03
Roads	27.21	8.62	4.50	292.89	92.78	48.44
<b>Subtotal Hard Services</b>	<b>41.43</b>	<b>18.17</b>	<b>7.56</b>	<b>445.95</b>	<b>195.58</b>	<b>81.38</b>
<b><u>General Services</u></b>						
Transit	7.86	2.54	1.35	84.60	27.34	14.53
Toronto-York Spadina Subway Extension	3.66	1.18	0.63	39.40	12.70	6.78
Yonge North Subway Extension	5.92	1.96	1.04	63.72	21.10	11.19
Public Works	0.69	0.18	0.11	7.43	1.94	1.18
Waste Diversion	0.00	0.00	0.00	0.00	0.00	0.00
Police	0.67	0.44	0.14	7.21	4.74	1.51
Housing Services	0.00	0.00	0.00	0.00	0.00	0.00
Public Health	0.02	0.01	0.01	0.22	0.11	0.11
Ambulance Services	0.16	0.10	0.03	1.72	1.08	0.32
Growth Studies	0.13	0.09	0.03	1.40	0.97	0.32
Long Term Care/Seniors Services	0.00	0.00	0.00	0.00	0.00	0.00
Court Services	0.04	0.03	0.01	0.43	0.32	0.11
<b>Subtotal General Services</b>	<b>19.15</b>	<b>6.53</b>	<b>3.35</b>	<b>206.13</b>	<b>70.29</b>	<b>36.06</b>
<b>Total</b>	<b>\$60.58</b>	<b>\$24.70</b>	<b>\$10.91</b>	<b>\$652.08</b>	<b>\$265.87</b>	<b>\$117.43</b>