ATTACHMENT 2

2022 DC Bylaw Public Meeting Summary

Request/Feedback	Raised by	Response/Consideration
Not impose/defer DCs on hospices	• Council • Deputation	**Amend – Section 3.5.1 of the Bylaw** To reflect the need for this vital service and to simplify the existing process, it is being recommended that Section 3.5.1 of the 2022 Bylaw provide a development charge deferral or exemption for hospices, contingent on local municipal matching. If the local municipality provides a development charges exemption, that exemption would be funded through the tax levy or user rates
Provide more information on area-specific development charges, including an inter-jurisdictional scan	• Council • Deputation • Communications	**Hold – Maintain Region-wide Uniform rate structure** **Review as part of next update** As required under the Act, staff considered the use of area-specific development charges with every bylaw review. Details on the consideration of area-specific development charges for 2022 Bylaw were provided in the February 2022 Council report (including the Private Attachments). Council endorsed, in principle, the application of a uniform Region-wide rate structure for the 2022 DC bylaw as being most appropriate because: • Regional services are managed as a network and the level of service is relatively consistent across the Region. Improvement in one part of the system has an impact on another • Aligns with the use of uniform Region-wide property taxes to fund the non-DC share of costs • Deviation from a uniform approach may set a precedent for other services or projects (e.g., Upper York Water Reclamation Centre) • Data and robust methodologies are available to demonstrate the need for growth-related infrastructure due to projected growth • Uncertainties regarding ongoing negotiations with the Province on the Transit Oriented Communities (TOCs) Hemson Consulting revisited the applicability of area-specific development charges for the Region's services, including a delineation based on Greenfields and Built Boundary. Hemson also developed an in

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		inter-jurisdictional scan of what local and neighboring municipalities do (Attachment 3) and concluded: • The Region’s approach to levying development charges on a uniform, Region-wide basis is the most defensible and suitable for the services that the Region provides • Area-specific development charges are most common at lower or single tier municipalities, for infrastructure with a clearly delineated benefitting area (e.g., stormwater) • Area-specific development charges would not be the appropriate mechanism to ‘reduce’ the development charge rates for structure type • Some local and single-tier municipalities do use discounts, funded from non-development charges sources (i.e., taxes or user rates) to reduce the development charge rates in specific geographic areas (e.g., downtown revitalization, office attraction etc.).
Extend planning horizon of the Bylaw to 2051	• Deputation	**Hold – Maintain 2041 Planning Horizon** **Review as part of next update** As part of November 2021 report, Council approved a 20-year planning horizon to 2041: • It strikes a balance between capturing long-term infrastructure needs while mitigating the forecasting risks with a 30-year planning horizon • Master plans that support growth to 2051 are still under development. However, project costs and timing to 2041 were reviewed by Council as part of budgets and previously approved master plans • Neighbouring municipalities have not used a 30-year horizon for their DC bylaws The Region’s 2022 DC Bylaw may be reviewed prior to its statutory maximum five-year period. The decision would depend on multiple factors, such as major changes in growth and/or cost assumptions. The extension of the planning horizon to 2051 could be part of that review. It should be noted that extending the planning horizon of a bylaw does not necessarily mean higher or lower development charge rates. While extending the planning horizon allows a municipality to include more growth-related project costs, those costs would also be spread across a larger population and employment base.

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Consider raising the delineation point for small and large apartments from 700 sq.ft. to 1,000 sq.ft. <u>or</u> create multiple delineation points	• Council • Deputation	**Hold – Maintain current delineation at 700 sq.ft. Review as part of next update** As part of November 2021 report, Council approved a delineation point of 700 sq.ft. (analysis using 2016 Census and size data of close to 35,000 apartment units confirmed threshold as appropriate). The methodology used was developed in consultation with BILD industry Raising delineation point to 1,000 sq.ft.: • Could capture most apartments in the Region as "small apartments" resulting in a de facto conflation of apartment categories, indirectly going against precedent in *Halton**, making the 2022 Bylaw vulnerable to appeal • Would result in higher rate for development charge rates for small and large apartments Creating multiple delineation points would require developing new persons per unit and housing mix forecasts which cannot be completed in time for the 2022 Bylaw. In addition, once a delineation point is introduced, it would be difficult to combine the categories in the future (i.e., going against the precedent in Halton).
Clarify the BRT costs/DC rate impact in the 2022 Bylaw	• Council • Deputation	**Further information provided** To accommodate future growth, the 2022 Bylaw includes $2.9B in gross BRT costs; $534M of which is eligible for DC recovery under the 2022 Bylaw: • The overall BRT program is estimated to cost $5.4B over 30 years. It is assumed that 73% or $3.9B would be funded by senior levels of government and the remaining 27% or $1.46B would be funded through Regional sources. • The portion that is recoverable under the 2022 Bylaw ($534M) is approximately 44% of the estimated DC-eligible portion of the overall BRT program. In the 2022 Background Study, the BRT program is divided between: • Road improvements (widening) which is included under the Roads Service; and • Transit component (shelters, stations etc.) which is included under Transit Service, subject to a 10-year planning horizon limit.

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		The DC rate related to the BRT program is about $5,128 for a single-detached dwelling, or about 7% of the residential DC rates
Revisit benefit to existing and post period benefit deduction assumptions	• Deputation	**No change to overall methodology** Staff reviewed assumptions and held additional consultations with stakeholders (e.g., BILD). Some technical changes to roads services Benefit to Existing deduction and Post Period Benefit deduction were made where warranted on a project-specific basis

Develop options to address housing affordability challenges	• Council
	• Deputations
	• Communications
		Continued advocacy
		Review as part of next update
		Development charges are a cost-recovery tool and not the main driver for market-driven housing prices. Key factors impacting the price of new homes, not within a municipality's control include:
		• Low interest rate environment allowing buyers to afford a higher mortgage
		• Investors, including foreign buyers, taking up housing stock
		• An environment in which land prices are appreciating at a rate that makes it more profitable not to build on one's land holdings
		
		As part of the 2022 Bylaw review, actions were taken to better align the Region's DC bylaw and policies with The Regional Official Plan objective to support a mix and range of housing options, including:
		• Charging all DC-eligible residential dwellings that are less than 700 square feet (tiny homes), the small apartment rate
		• Consistent with Statistics Canada's categorization when reporting occupancy data, stacked townhomes will be treated as apartments
		• Removing the four-storey minimum requirement in the "Development Charges Deferral for Purpose-Built Rental Buildings" policy
		• Reflecting recent legislative changes premised upon facilitating affordable housing options through Bill 108, *More Homes, More Choice Act, 2019* which include:
		  ○ phase in of development charges payments for rental and non-profit housing
		  ○ exemptions for additional/second suites in existing and new residential buildings
		
		A consultant is being procured for the Region's Affordable Housing Implementation Plan to review and update housing affordability policies, which may include a review of financial incentive options for the private market (in parallel with the Community Housing

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		Development Master Plan). Financial incentives could be a part of this review, for example: • Use of Community Improvement Plans, under the *Planning Act* and subject to O. Reg 550/06 – "Prescribed Matters — Upper-Tier Community Improvement Plans", to facilitate development charges reductions, planning fee reductions and/or tax increment equivalent grants • Provision of capital grants for affordable housing
Include additional stakeholders in DC Bylaw consultations	• Communication	**Continued and expanded engagement** Subsequent to the public meeting, through weekly group meetings and one-on-one communications, staff engaged with interested stakeholders, including deputants, and those who have submitted communication at the public meeting. Topics discussed include: • Persons per unit forecast methodology • DC treatment of stacked townhomes • Planning horizon of the 2022 Bylaw • Specific projects in the DC Background Study • DC treatment of hospices
Provide clarification that the 2022 Bylaw timelines, including public meeting and notice for public meeting were in accordance with requirements under the Act	• Communication	**Confirmed** Office of the Regional Clerk responded, providing clarification that: • Under the Act, Council must hold at least one public meeting, with the draft DC bylaw and associated background study being available at least two weeks prior to the meeting • While the 2022 Bylaw and Background Study were tabled at Committee of the Whole on March 3, 2022, both documents were made publicly available on the agenda on February 25, 2022 • The Act requires 20-days' notice for the public meeting, with the notice being published in all local Metroland newspapers on February 24 • Commensurate with the notice publication, the Region's DC webpage was updated with the notice information • A link to a supplementary notice was published a week prior to the public meeting, along with the meeting agenda

*Note: *Hamilton Halton Home Builders' Association v. The Regional Municipality of Halton*, 2016 ONSC 3807