



OFFICIAL NOTICE

Special Meeting of Regional Council Revised Agenda

Wednesday, April 12, 2023, 9:30 a.m.
Regional Council Chambers
Regional Headquarters Building
605 Rossland Road East, Whitby

If this information is required in an accessible format, please contact 1-800-372-1102 ext. 2054.

Note: This meeting will be held in a hybrid meeting format with electronic and in-person participation. Committee meetings may be [viewed via live streaming](#).

	Pages
1. Call to Order and Traditional Territory Acknowledgement	
2. Roll Call	
3. Declarations of Interest	
4. Presentations	
*4.1 Mary Simpson, Director of Risk Management, Economic Studies & Procurement Division re: 2023 Development Charges Statutory Public Meetings	3
5. Delegations	
5.1 Delegation(s) further to Public Notice regarding the New By-law to Replace Regional Development Charge By-law No. 28-2018	
5.2 Delegation(s) further to Public Notice regarding the Proposed Amendments to Regional Transit Development Charge By-law No. 39- 2022	
5.3 Delegation(s) further to Public Notice regarding the Proposed Amendments to GO Transit Development Charge By-law No. 86-2001	
6. Communications	
There are no Communications items to be considered	
7. Reports related to Delegations/Presentations	
7.1 Report #2023-F-10	40

Public Meetings Regarding Proposed Development Charge By-laws and
Supporting Background Studies

8. By-laws

There are no by-laws to be considered

9. Confirming By-law

9.1 25-2023

Being a by-law to confirm the proceedings of the Council of The Regional
Municipality of Durham at its meeting on the 12th day of April, 2023.

10. Adjournment

Notice regarding collection, use and disclosure of personal information:

Written information (either paper or electronic) that you send to Durham
Regional Council or Committees, including home address, phone numbers and
email addresses, will become part of the public record. This also includes oral
submissions at meetings. If you have any questions about the collection of
information, please contact the Regional Clerk/Director of Legislative Services.



2023 Development Charges Statutory Public Meetings

Special Regional Council Meeting

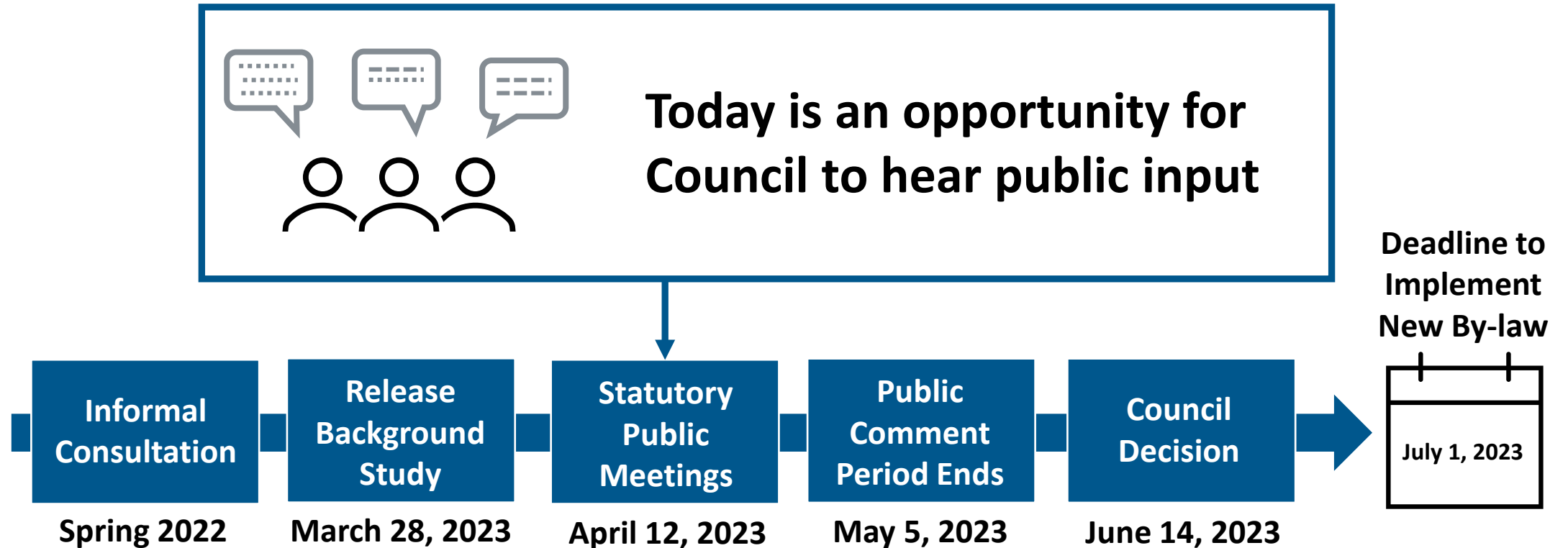
April 12, 2023

Statutory Public Meeting #1

2023 Durham Regional DC Background Study and Proposed By-law

Purpose of Public Meetings

- Part of the consultation process and a statutory requirement



Purpose of Development Charges (DCs)

- Key principle is “Growth should pay for growth”
- Residential and non-residential growth requires municipal servicing that generates capital costs
- Development Charges are levied on developers/builders to recover a portion of capital costs for services that will be used by new residents or employees
- The funds are used to pay for growth-related portions of capital projects and can only be spent on the service for which they were collected

How a DC By-Law is Developed

Multi-Departmental Project

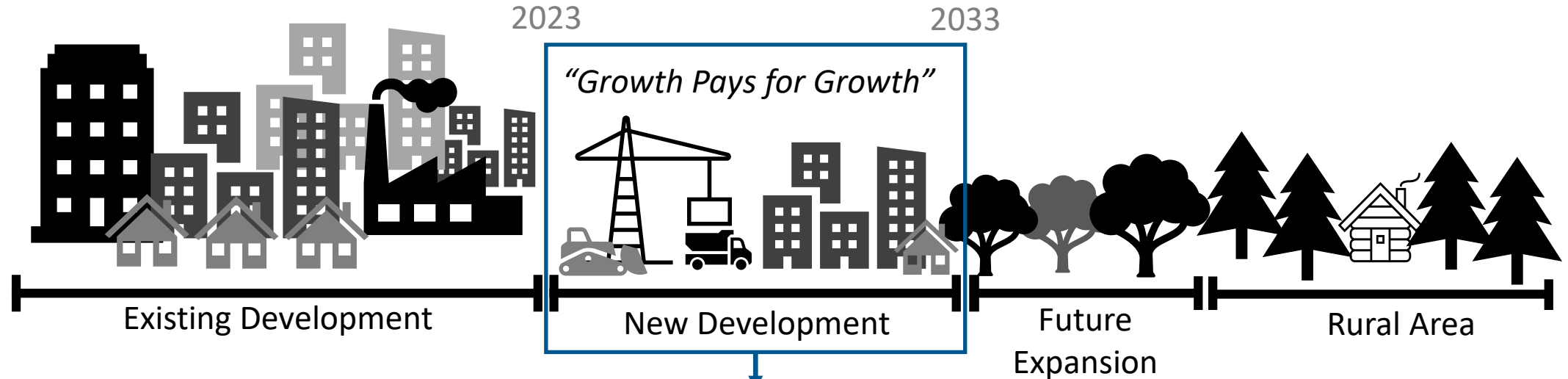


- Population and Employment Forecasts
- 10 year Capital Program
- Economic and Financial Analysis
- Policy Formulation
- Input from Regional Departments
- Feedback from Area Municipalities
- Interested Parties Feedback & Public Consultation including BILD, Home Builders Associations, Boards of Trade, and Chambers of Commerce

How DC Rates are Determined

- Forecast the amount, type and location of growth between mid-2023 to mid-2033
- Forecast the infrastructure required to accommodate that growth
- Estimate the capital cost of new growth-related infrastructure
 - Restricted to historical service levels except for water and sewer
- Reduce the capital costs to only the Regional growth portion
 - Benefit to existing
 - Post-period benefit beyond forecast period
 - Grant/Subsidies
 - Existing Reserve Fund Balances
- Use the forecasted growth and infrastructure costs to calculate DC rates

Development Charge Calculation



$$\text{DC Rate per Unit} = \frac{\text{New Residential Development Cost}}{\text{New Residential Units}}$$



$$\text{DC Rate per Square Foot} = \frac{\text{New Non-Residential Development Cost}}{\text{New Non-Residential Square Footage}}$$

Incorporating Changes in the DCA

- The new DC By-law will expire 10 years after it comes into force
- Multi-year phase in of new DC rates over 5 years

Phase In Schedule	Year 1	Year 2	Year 3	Year 4	Year 5-10
	80%	85%	90%	95%	100%

- Removed Housing Services since it is no longer an eligible service area
- Removed Studies from the Capital Forecast
- Historical Level of Service has been adjusted from 10 years to 15 years in DC calculations

Implications of Recent Changes to the DCA

- Discounts and exemptions will be applied to certain developments
 - This includes non-profit housing developments who have existing deferral agreements

Rental Housing Development			Non-Profit Housing	Inclusionary Zoning Units	Affordable Housing	Attainable Housing
1 bed	2 bed	3 bed				
15%	20%	25%	Exempt	Exempt	Exempt – bulletin outstanding	Exempt – not yet defined

- Exemptions for second and third units in existing residential properties
 - Allows for up to three units per residential lot

Proposed Policy Changes

- Proposing to change the definition of a bedroom to better align with the Ontario Building Code
- Proposing to treat Stacked townhomes as apartments (as per Regional Transit DC)
 - Charges will be based on bedroom count
- Redevelopment Charge Credit
 - Proposed shortening from ten to five years from demolition date to better align with area municipalities

Policies and Exemptions Maintained

- **Collection Policy**

- Residential Subdivision Agreements: 100% at signing OR

50% of Water/Sewer/Roads DC at signing and balance by 1 year anniversary of signing and letter of credit for 55%	WITH	100% at Building Permit, whichever is first
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- Other: At Building Permit issuance or on deferred payment basis for rental housing, retirement, and long-term care homes starting at occupancy

- **Non-Statutory Exemptions**

- Agricultural uses
 - Places of worship
 - Parking structures (above or below ground)
 - Public Hospitals receiving funding under the Public Hospitals Act
 - Free standing roof-like structures that do not have exterior walls
 - Broadened industrial expansion to include freestanding buildings

Service Areas in the 2023 DC Background Study and By-law

Service Areas ^{1,2}	Development Charges
Water Supply	Residential & Non-Residential
Sanitary Sewerage	
Regional Roads	
Long-term Care	Residential Only
Paramedic Services	
(NEW) Waste Diversion	
Regional Police Services	

¹ Emergency Preparedness, Provincial Offences Act, and Childcare were considered and will again be considered in subsequent By-laws.

² GO Transit (By-law #86-2001) and Regional Transit (By-law #39-2022) have their own By-laws and are not included in the 2023 DC Background Study.

Population and Employment Forecasts

Population Increase ¹	161,913
Employment Increase ²	58,334
Increase in Housing Units	69,211 units (or 54,016 SDE's)

¹ Excludes Census undercount

² Includes primary and WAH, excludes NFPOW

Employment and Non-Residential GFA Forecasts

	Employment Forecast (2023-2033)	GFA Forecast (2023-2033)
Commercial	15,516	9,683,900
Industrial	22,819	19,399,900
Institutional	14,581	8,992,900
Primary and Work at Home	5,418	174,000 ¹
Total²	58,334	38,180,700

¹ Work at Home is not applicable

² Excludes No Fixed Place of Work (NFPOW)

Proposed Capital Forecast (Hard Services)

Services	Gross Cost \$m	Less:				Net Growth		
		Ineligible (Level of Service) \$m	Benefit to Existing Development \$m	Subsidy Developer Contribution/ Other ⁽¹⁾ \$m	Post Period Capacity \$m			
						Total \$m	Res \$m	Non-Res \$m
Hard Services (2023-2032):								
Water Supply	\$1,679.7	\$0.0	\$81.6	\$95.5	\$104.0	\$1,398.7	\$1,228.7	\$169.9
Sanitary Sewerage	\$1,811.4	\$0.0	\$74.3	\$4.5	\$481.4	\$1,251.1	\$1,001.9	\$249.2
Regional Roads	\$2,631.6	\$0.0	\$414.1	\$92.6	\$63.7	\$2,061.2	\$1,517.9	\$543.3
Total ⁽²⁾	\$6,122.8	\$0.0	\$570.1	\$192.6	\$649.0	\$4,711.1	\$3,748.6	\$962.5

⁽¹⁾ Includes Capital Cost Allocations to Seaton and Federal Lands in Pickering.

⁽²⁾ May not add due to rounding.

\$6.1 billion forecast for Water Supply, Sanitary Sewerage and Roads, of which **\$4.7 billion** is net growth related

Proposed Capital Forecast (Soft Services)

Services	Gross Cost \$m	Less:			Net Growth		
		Ineligible (Level of Service) \$m	Benefit to Existing Development \$m	Subsidy Developer Contribution/ Other ⁽¹⁾ \$m			
					Total \$m	Res \$m	Non-Res \$m
General Services (2023-2032):							
Regional Police Services	\$171.5	\$0.0	\$92.6	\$0.0	\$78.9	\$58.4	\$20.5
Paramedic Services	\$39.0	\$3.5	\$7.5	\$0.0	\$28.0	\$25.0	\$3.1
Long Term Care	\$126.4	\$0.0	\$63.0	\$35.6	\$27.8	\$27.8	\$0.0
Waste Diversion	\$9.8	\$4.9	\$0.0	\$0.0	\$4.9	\$4.9	\$0.0
Total ⁽²⁾	\$346.7	\$8.4	\$163.1	\$35.6	\$139.6	\$116.0	\$23.6

(1) Includes Capital Cost Allocations to Seaton and Federal Lands in Pickering.

(2) May not add due to rounding.

\$346.7 million forecast for Police, Paramedic, Long Term Care and Waste Diversion, of which **\$139.6 million** is net growth related

Proposed Residential DC Rates (\$ per unit)

Residential DCs	Calculated Rate ¹	% change from current	Phased-in Rate ²	% change from current
Single/Semi	\$81,703	+102%	\$65,896	+63%
Medium Density	\$65,123	+100%	\$52,535	+61%
Apartment (≥ 2bdr)	\$47,563	+102%	\$38,360	+63%
Apartment (≤ 1bdr)	\$29,204	+91%	\$23,551	+54%

¹ Includes Regional Transit and GO Transit rates

² On July 1, the proposed Region-wide DC service categories will be phased-in at 80%, and Regional Transit DC (By-law #39-2022) will be phased-in at 85%

- The calculated DCs are approximately 91% to 102% higher compared to current rates
- The phased-in DCs are approximately 54% to 63% higher compared to current rates

Proposed Region-wide Residential DC Rates

Calculated Rates from Proposed By-law
Without Mandatory Phase-In
For July 1, 2023 (\$ per unit)

Service Category	Single and Semi Detached	Medium Density Multiples	2 Bdrm Apt and Larger	1 Bdrm Apt and Smaller
Water Supply ⁽¹⁾⁽²⁾	\$26,117	\$20,800	\$15,206	\$9,340
Sanitary Sewer ⁽¹⁾⁽²⁾	\$23,858	\$19,000	\$13,890	\$8,531
Regional Roads	\$26,998	\$21,501	\$15,718	\$9,654
Regional Police Services	\$977	\$778	\$569	\$349
Long Term Care	\$548	\$436	\$319	\$196
Paramedic Services	\$441	\$351	\$257	\$158
Waste Diversion	\$94	\$75	\$55	\$34
Sub - Total	\$79,033	\$62,941	\$46,014	\$28,262
GO Transit ⁽³⁾	\$814	\$720	\$511	\$304
Regional Transit ⁽³⁾	\$1,856	\$1,462	\$1,038	\$638
Total	\$81,703	\$65,123	\$47,563	\$29,204

⁽¹⁾ These charges are payable only in areas where the services are, or will be, available in an area designated for the particular service in the Region's Official Plan.

⁽²⁾ Not applicable to the Seaton area as defined in Appendix A of the Background Study and Schedule F of the proposed by-law.

⁽³⁾ Additional Regional development charges exist for GO Transit and Regional Transit under By-law #86-2001 and By-law #39-2022, respectively. The rates in the table for GO Transit and Regional Transit do not include annual indexing, which will also be reflected in the rates on July 1, 2023.

Changes in Proposed Residential DC Rates

Calculated Rates from Proposed By-law
With the Mandatory Phase-In
For July 1, 2023 (\$ per Single and Semi Detached unit)

Service Category	Current Rate as of January 1, 2023	Proposed Phased-In Rates	\$ Increase/ (Decrease)
Water Supply ⁽¹⁾⁽²⁾	\$12,342	\$20,894	\$8,552
Sanitary Sewer ⁽¹⁾⁽²⁾	\$12,013	\$19,086	\$7,073
Regional Roads	\$12,119	\$21,598	\$9,479
Regional Police Services	\$936	\$782	(\$154)
Long Term Care	\$312	\$438	\$126
Paramedic Services	\$246	\$353	\$107
Waste Diversion	\$0	\$75	\$75
Sub - Total	\$37,968	\$63,226	\$25,258
GO Transit ⁽³⁾	\$814	\$814	\$0
Regional Transit ⁽³⁾⁽⁴⁾	\$1,747	\$1,856	\$109
Total	\$40,529	\$65,896	\$25,367

(1) These charges are payable only in areas where the services are, or will be, available in an area designated for the particular service in the Region's Official Plan.

(2) Not applicable to the Seaton area as defined in Appendix A of the Background Study and Schedule F of the proposed by-law.

(3) These charges are imposed under separate DC by-laws but are shown to in this table for the purposes of presenting a total quantum of DCs. The rates shown do not include annual indexing.

(4) The Regional Transit DC By-law is subject to the mandatory 80% phase-in starting July 1, 2022, increasing to 85% on July 1, 2023.

Proposed Non-Residential DC Rates (\$ per sq. ft.)

Non-Residential DCs	Calculated Rate ¹	% change from current	Phased-in Rate ²	% change from current
Commercial	\$42.32	+75%	\$34.03	+40%
Industrial	\$20.35	+55%	\$16.45	+26%
Institutional	\$22.40	+77%	\$18.09	+43%

¹ Includes Regional Transit and GO Transit rates

² On July 1, the proposed Region-wide DC service categories will be phased-in at 80%, and Regional Transit DC (By-law #39-2022) will be phased-in at 85%

- The calculated DCs are approximately 55% to 77% higher compared to current rates
- The phased-in DCs are approximately 26% to 43% higher compared to current rates

Proposed Region-wide Non-Residential DC Rates

Calculated Rates from Proposed By-law
Without Mandatory Phase-In
For July 1, 2023 (\$ per square foot)

Service Category	Commercial	Industrial	Institutional
Water Supply ⁽¹⁾⁽²⁾	\$7.51	\$4.86	\$2.03
Sanitary Sewer ⁽¹⁾⁽²⁾	\$12.06	\$7.06	\$2.92
Regional Roads	\$21.91	\$7.59	\$16.61
Sub - Total	\$41.48	\$19.51	\$21.56
Regional Transit ⁽³⁾⁽⁴⁾	\$0.84	\$0.84	\$0.84
Total	\$42.32	\$20.35	\$22.40

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Changes in Proposed Non-Residential DC Rates

Calculated Rates from Proposed By-law
With the Mandatory Phase-In
For July 1, 2023 (\$ per square foot)

	Proposed Phased-In Rates			\$ Increase / (Decrease) per sq. ft.		
Service Category	Commercial	Industrial	Institutional	Commercial	Industrial	Institutional
Water Supply ⁽¹⁾⁽²⁾	\$6.01	\$3.89	\$1.62	\$1.42	\$0.23	\$0.51
Sanitary Sewer ⁽¹⁾⁽²⁾	\$9.65	\$5.65	\$2.34	\$1.94	\$1.24	\$0.98
Regional Roads	\$17.53	\$6.07	\$13.29	\$6.37	\$1.83	\$3.89
Subtotal	\$33.19	\$15.61	\$17.25	\$9.73	\$3.3	\$5.38
Regional Transit ⁽³⁾⁽⁴⁾	\$0.84	\$0.84	\$0.84	\$0.05	\$0.05	\$0.05
Total	\$34.03	\$16.45	\$18.09	\$9.78	\$3.35	\$5.43

⁽¹⁾ These charges are payable only in areas where the services are, or will be, available in an area designated for the particular service in the Region's Official Plan.

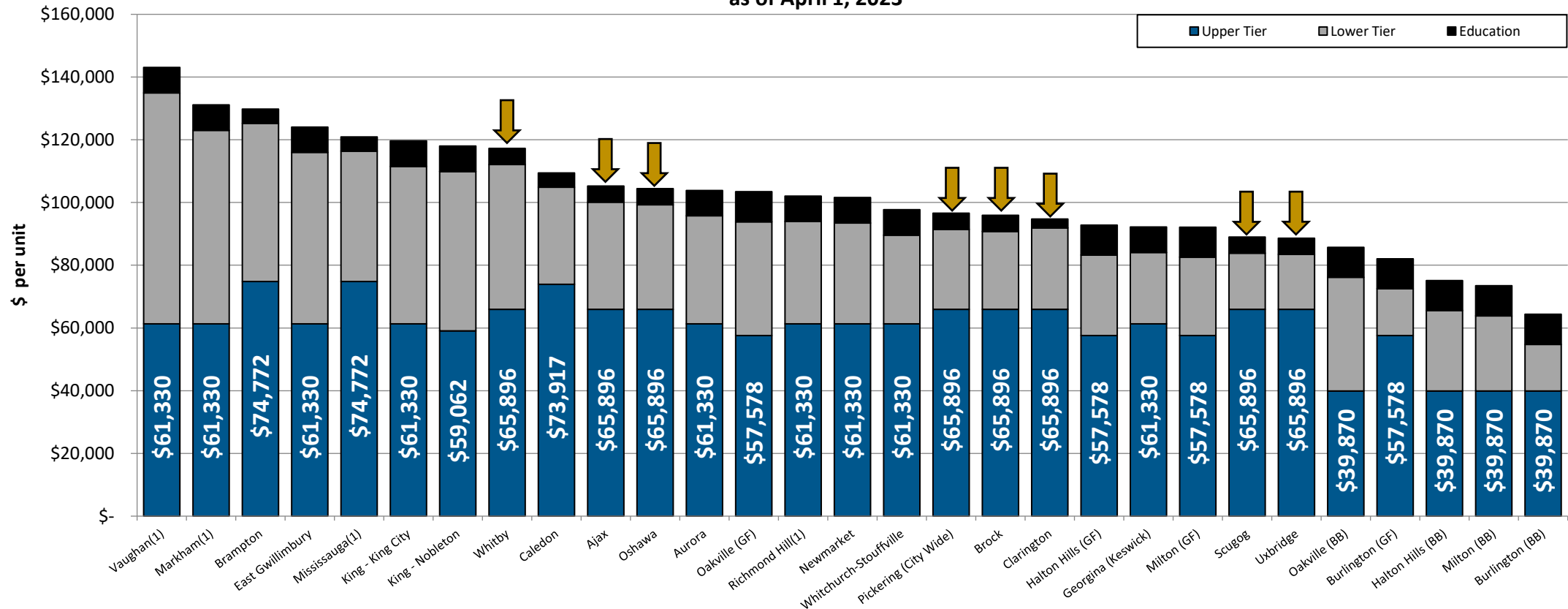
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⁽⁴⁾ The Regional Transit DC By-law is subject to the mandatory 80% phase-in starting July 1, 2022, increasing to 85% on July 1, 2023.

Comparison of GTA Municipalities DC Rates

Residential Development Charges
Per Single Detached Dwelling for Greater Toronto Area Municipalities
With the Mandatory Phase-In for Durham, Halton, and York Regional DCs
as of April 1, 2023



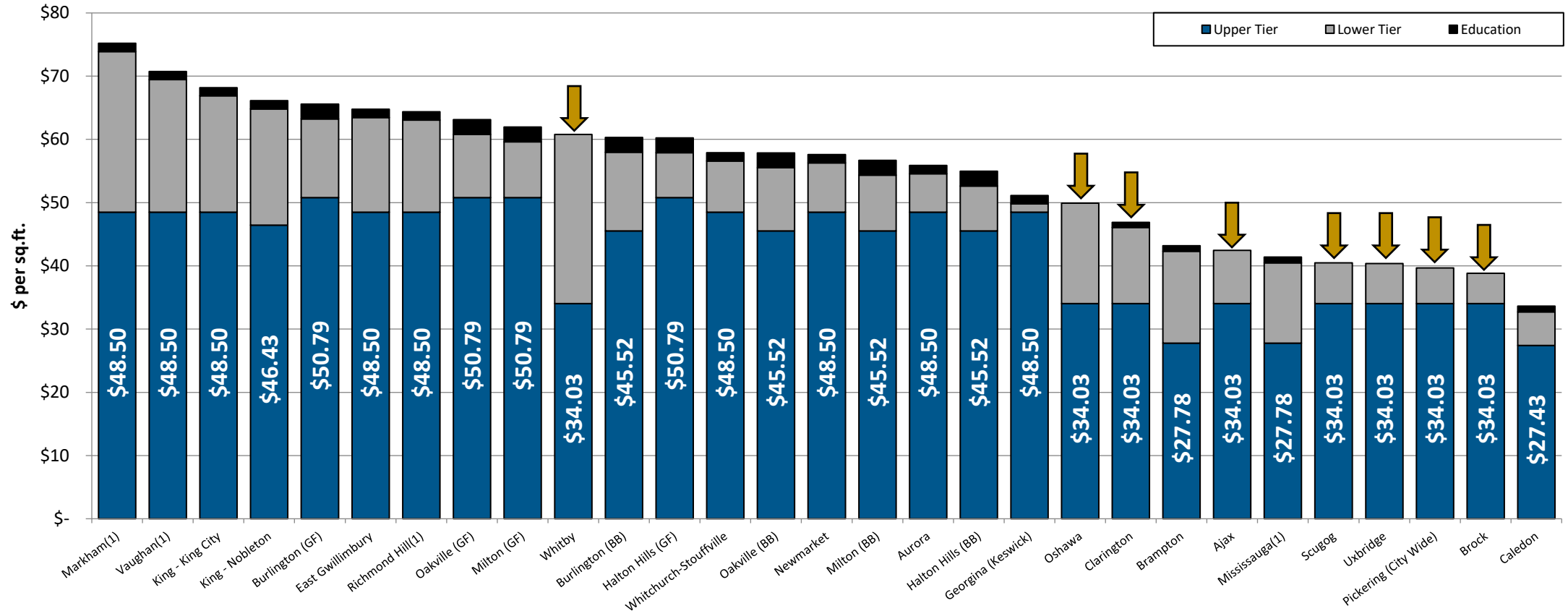
(1) = A component of the charge has been converted from a per hectare charge to a hypothetical single detached unit.

(BB) = Built Boundary (Urban)

(GF) = Greenfield (Urban)

Comparison of GTA Municipalities DC Rates

Non-Residential Development Charges
Per GFA of Retail Floor Area for Greater Toronto Area Municipalities
With the Mandatory Phase-In for Durham, Halton, and York Regional DCs
as of April 1, 2023



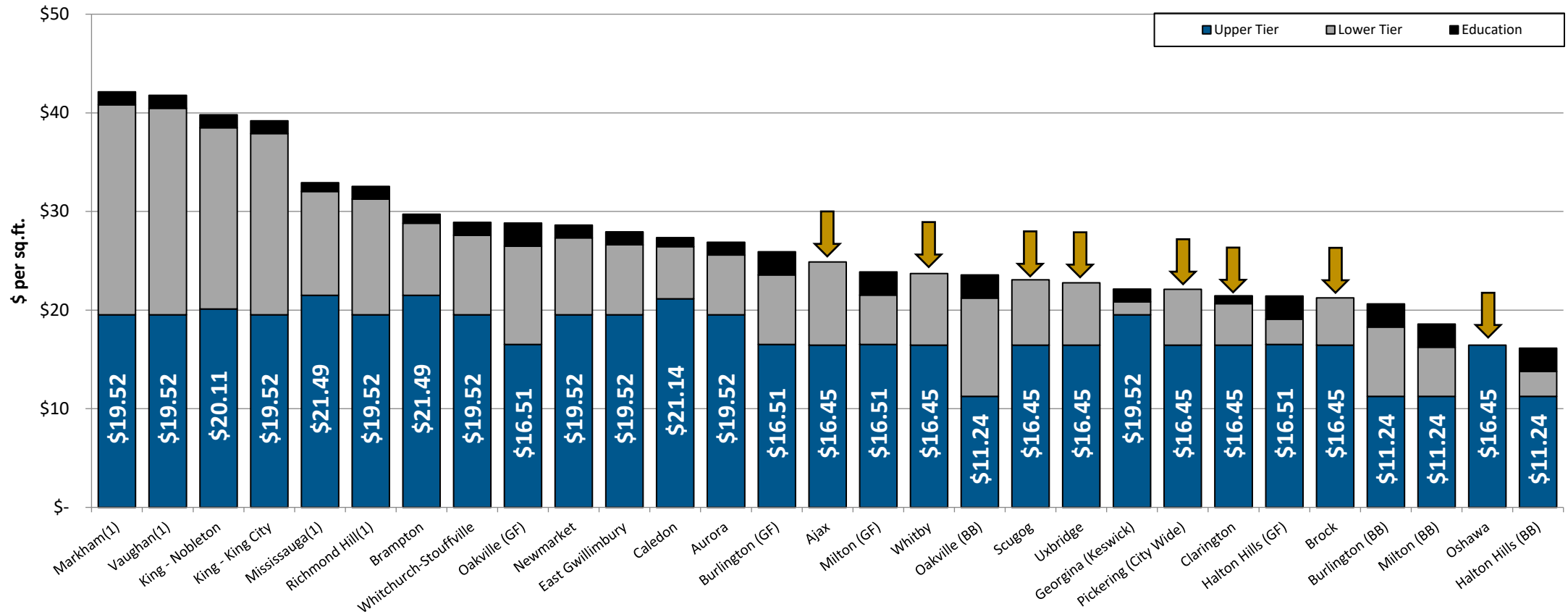
(1) = A portion of the charge has been converted from a per hectare charge to a hypothetical GFA charge assuming 30% coverage

(BB) = Built Boundary (Urban)

(GF) = Greenfield (Urban)

Comparison of GTA Municipalities DC Rates

Non-Residential Development Charges
Per GFA of Industrial Floor Area for Greater Toronto Area Municipalities
With the Mandatory Phase-In for Durham, Halton, and York Regional DCs
as of April 1, 2023



(1) = A portion of the charge has been converted from a per hectare charge to a hypothetical GFA charge assuming 30% coverage

(BB) = Built Boundary (Urban)

(GF) = Greenfield (Urban)

Summary

- Region must have by-law updated by July 1, 2023
- Consultation & Formal Public Input
- Background Study and Proposed By-law comply with the Development Charges Act
- Ongoing accountability provided through mandated Treasurer's Annual Statements and Annual Financial Audited Statements of the Region

Next Steps

Consultation	Final Date for Public Comment	May 5, 2023
Council Approval	Special Regional Council Meeting	June 14, 2023
Implementation	Implementation of DC by-laws	July 1, 2023
Notice and Appeals	Newspaper and other notice given of by-law passage	By 20 days after passage of by-law
	Last day for by-law appeal	By 40 days after passage of by-law
	Region makes available pamphlet	By 60 days after in-force date

Public Submissions (by mail):

Regional Clerk/Director of Legislative Services
605 Rossland Road East, Level 1
P.O. Box 623
Whitby, ON L1N 6A3

Public Submissions (by e-mail)

clerks@durham.ca

Public comments are due no later than 5:00 p.m. on May 5, 2023

Public Input

Statutory Public Meeting #2

2023 Regional DC Background Study Supporting
Amendments to Regional Transit DC By-law No. 39-2022

Proposed Policy Changes

- **Align policies and definitions**
 - Proposing to change the definition of a bedroom to better align with the Ontario Building Code
 - Redevelopment Charge Credit
 - Proposed shortening from ten to five years from demolition date to better align with area municipalities
- **No changes to DC Rates**

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Public comments are due no later than 5:00 p.m. on May 5, 2023

Public Input

Statutory Public Meeting #3

2023 Regional DC Background Study Supporting
Amendments to GO Transit DC By-law No. 86-2001

Proposed Policy Changes

- **Align policies and definitions**
 - Proposing to change the definition of a bedroom to better align with the Ontario Building Code
 - Proposing to treat Stacked townhomes as apartments (as per Regional Transit DC)
Charges will be based on bedroom count
 - Redevelopment Charge Credit
Proposed shortening from ten to five years from demolition date to better align with area municipalities
- **No changes to DC Rates**

Next Steps

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Public Input



Further Information

Mary Simpson

Director of Risk Management, Economic Studies
and Procurement Division

Mary.Simpson@durham.ca

durham.ca

[@RegionofDurham](https://www.facebook.com/RegionofDurham)





The Regional Municipality of Durham Report

To: Regional Council
From: Commissioner of Finance
Report: #2023-F-10
Date: April 12, 2023

Subject:

Public Meetings Regarding Proposed Development Charge By-laws and Supporting Background Studies

Recommendation:

- A) That Report #2023-F-10 be received for information; and
 - B) That all submissions received by Regional Council, including those opinions expressed verbally at the April 12, 2023 public meeting and any written submissions received by the Regional Clerk by 5 p.m. on May 5, 2023, be received and referred to Regional staff for consideration in the preparation of the final development charge (DC) recommendations and by-laws scheduled to be presented to Regional Council for approval at a special meeting held on June 14, 2023.
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Report:

1. Purpose

- 1.1 The purpose of this report is to provide information regarding the three public meetings of Regional Council, being held on April 12, 2023, regarding proposed new and amending DC by-laws. The first meeting pertains to the new proposed Regional DC By-law, which imposes residential and non-residential development charges on a region-wide basis. The second meeting pertains to the proposed amendments to the current Regional Transit DC By-law (39-2022). The third meeting pertains to the proposed amendments to the current GO Transit DC By-law (86-2001).
- 1.2 The Development Charges Act, 1997 (DCA) permits public representations relating to the proposed by-laws from any person who attends the meetings, either virtually or in-person, on April 12, 2023.

- 1.3 The purpose of the public meetings is to fulfill the statutory requirement to solicit input from the public and provide the necessary background information on the new proposed Regional DC By-law and the proposed amendments to the Regional Transit and GO Transit DC By-laws. Input from the public and other interested parties will be received until to 5 p.m. on May 5. Discussion of the public input will occur at the special Regional Council meeting on June 14, where the final by-laws will also be presented for approval. This will ensure implementation of the new and amending by-laws on July 1.

2. Background

- 2.1 On June 13, 2018, Regional Council passed By-law 28-2018, which imposed DCs for eight services against four types of residential development (single / semi-detached, medium density multiples, two bedroom and larger apartments, and one bedroom or smaller apartments) and three non-residential uses (commercial, institutional, and industrial). This by-law applies to all lands within Durham Region, except for water and sanitary sewer services within Seaton (which fall under a separate area specific DC by-law).
- 2.2 Regional DC By-law 28-2018 was amended in 2021 to reflect changes to the Development Charges Act (DCA) that came into effect on January 1, 2020. This current by-law is set to expire on July 1, 2023.
- 2.3 The current Regional Transit DC By-law was passed by Regional Council on June 29, 2022 (effective July 1, 2022). This by-law imposes DCs for Regional transit services on new residential and non-residential development throughout the Region.
- 2.4 The Region imposes a DC for GO Transit purposes, pursuant to By-law 86-2001, which came into effect on December 5, 2001. This by-law has been extended numerous times through provincial legislation and is currently set to expire on December 31, 2025.
- 2.5 Regional Council directed staff, through Report #2023-F-2, to proceed with the public process required to have a new Regional DC By-law in place by July 1, 2023. The report also directed staff to undertake the public process necessary to amend the Regional Transit and GO Transit DC by-laws, and to have those amendments in place for July 1.
- 2.6 Notice of the public meetings were advertised in the Toronto Star on both March 17 and March 20 (Attachment #1). The same notice was advertised in local Metroland newspapers throughout the Region on March 23, March 30, and April 6. The notice has also been posted on the Regional website.
- 2.7 The proposed new and amending DC By-laws, along with their respective supporting Background Studies, have been available on the Regional website and through the Regional Clerk's Office, at no cost, since March 28.

3. Previous Reports and Decisions

- 3.1 Regional Council approved Report #2022-F-9 which provided staff authorization to undertake the renewal of the Regional DC By-law.
- 3.2 Regional Council subsequently approved Report #2023-F-2 which provided staff with the authorization to proceed with the public process required to renew the Regional DC By-law and amend the Regional Transit and GO Transit DC By-laws.
- 3.3 Regional Council passed the current Regional Transit DC by-law on June 29, 2022 through Report #2022-F-15.
- 3.4 Regional Council approved a GO Transit DC By-law in 2001, which has subsequently been amended four times. The most recent amendment occurred on June 23, 2021 through Report #2021-F-17.

4. Background Study – Proposed New Regional DC By-law

Growth Forecast

- 4.1 The Regional DC Background Study was prepared by a Regional interdepartmental working group, consisting of staff from Finance, Works, and Planning and Economic Development. Regional staff also worked in collaboration with Watson and Associates Economists. The purpose of the DC Background Study is to provide the prescribed background information used to develop the DC rates for both residential and non-residential development. The proposed development charges represent one source of funding for the growth-related capital expenditures included in the study.
- 4.2 The DC Background Study is based on a ten-year planning forecast, from mid-2023 to mid-2033. The forecasted population and employment growth, over this ten-year period, was used to forecast the growth-related capital infrastructure needs included in the study. The planning forecast (Appendix A of the Background Study) was prepared by Watson and Associates, in collaboration with staff from the Planning Division of the Planning and Economic Development Department. Table 1 provides a summary of the population and employment growth forecast.

Table 1
REGION OF DURHAM
GROWTH FORECASTS
Mid-2023 - Mid 2033

TYPE OF GROWTH	INCREMENTAL AMOUNT
Population Growth	161,913 Persons
Household Unit Growth	69,210 Households
Employment Growth ¹	58,334 Employees
Additional Non-Residential Floor Space ²	38,180,700 Square Feet

¹ Excludes No Fixed Place of Work. Includes primary and Work at Home.

² Includes primary

- 4.3 The growth forecast in the DC Study is based on the forecasts contained within the current Regional Official Plan (ROP), which includes a 2031 planning horizon. The DC study assumes that the full urban boundary build-out, contained in the current ROP, of 923,510 (960,000 less population associated with Northeast Pickering) people would occur in 2033. This is based on a review of growth that has occurred since the last DC Background Study in 2018. Employment is also expected to lag with approximately 320,600 jobs (approximately 92 per cent of the 2031 forecast of 350,000) anticipated by 2033.
- 4.4 The Region is currently in the process of finalizing its new ROP. As the new ROP has not yet been approved by the Province, the current ROP has been used as the basis for the DC Background Study growth forecast.
- 4.5 It is also important to note that the growth forecast contained in the DC Background Study does not fully reflect the recently announced provincial housing targets for the area municipalities within Durham (84,000 units across the five lakeshore municipalities), nor does it reflect the recent release of Greenbelt lands within Durham. These announcements were made by the Province late in the Background Study process and, given the length of the prescribed public process and the expiry of the current DC by-law on July 1, 2023, there was not sufficient time to include these in the forecast. Staff are also still analyzing the impacts from a servicing and financing perspective to determine the capital requirements and funding needed to service this increased growth.
- 4.6 Once the servicing and financing implications of the Greenbelt lands and provincial housing targets have been determined, an update of the Regional DC By-law will be considered. This may occur prior to the ten-year expiry date of the proposed By-law.

DC Services and Capital Programs

- 4.7 The proposed services for which a DC would be imposed are included in the following table. The table identifies which DC services would be imposed on residential and non-residential development.

Table 2
Proposed DC Service Areas

Service Areas	Development Charges
Water Supply Sanitary Sewer Regional Roads	Residential and Non-residential
Long-Term Care Paramedic Services Police Services Waste Diversion	Residential Only

- 4.8 Housing Services, Development Related Studies, and Health and Social Services were included in the 2018 DC Background Study and By-law but have since been removed as a result of provincial legislation.
- 4.9 In consideration of the list of eligible DC services, the Region has calculated a new DC for Waste Diversion Services. Waste Diversion Services has not been included in previous Regional DC By-laws. The calculated charge is based on the need for an additional waste management facility to service growth in Durham. Approximately 50 per cent of the new facility will be dedicated toward waste diversion activities; therefore, only 50 per cent of the facility cost has been included in the calculation of the charge.
- 4.10 In addition to Waste Diversion, the newly eligible service areas of Childcare, Provincial Offences Act (POA), and Emergency Preparedness were also explored for possible inclusion in the DC By-law. Although all service areas expressed a need for capital infrastructure in the future, the details (timing, costs, the share that can be attributable to growth, etc) is still uncertain. It was determined that there was insufficient information to justify inclusion at this time. However, these service areas will be explored again for the next DC study.
- 4.11 The capital programs for each service area are included in Appendix E – H of the DC Background Study. The capital programs include the growth-related capital infrastructure required, over the next ten years, to accommodate the population and employment growth contained in the growth forecast. The capital costs included in the tables have all been expressed in current dollars (\$2023).

5. Proposed Rates

- 5.1 The proposed new Regional DC rates were derived using the prescribed methodology within the DCA. The following tables provide the calculated Regional residential and non-residential DCs for all development types.

Table 3
Proposed Residential Development Charges
Full Calculated Rate
(per unit)

<u>Service Category</u>	<u>Single / Semi Rate</u>	<u>Medium Density</u>	<u>2 bdr apt</u>	<u>1 bdr apt</u>
Water Supply ⁽¹⁾⁽²⁾	\$26,117	\$20,800	\$15,206	\$9,340
Sanitary Sewer ⁽¹⁾⁽²⁾	\$23,858	\$19,000	\$13,890	\$8,531
Regional Roads	\$26,998	\$21,501	\$15,718	\$9,654
Regional Police Services	\$977	\$778	\$569	\$349
Long Term Care	\$548	\$436	\$319	\$196
Paramedic Services	\$441	\$351	\$257	\$158
Waste Diversion	\$94	\$75	\$55	\$34
Total ⁽³⁾	\$79,033	\$62,941	\$46,014	\$28,262
Notes:				
(1) These charges are payable only in areas where the services are, or will be, available in an area designated for the particular service in the Region's Official Plan.				
(2) Not applicable to the Seaton area as defined in Appendix A of the Background Study and Schedule F of the proposed by-law.				
(3) Additional Regional development charges exist for GO Transit and Regional Transit under By-law #86-2001 and By-law #39-2022, respectively.				

Table 4
Proposed Non-Residential Development Charges
Full Calculated Rate
(\$ per square foot for Gross Floor Area)

<u>Service Category</u>	<u>Commercial</u>	<u>Industrial</u>	<u>Institutional</u>
Water Supply ⁽¹⁾⁽²⁾	\$7.51	\$4.86	\$2.03
Sanitary Sewer ⁽¹⁾⁽²⁾	\$12.06	\$7.06	\$2.92
Regional Roads	\$21.91	\$7.59	\$16.61
Sub - Total	\$41.48	\$19.51	\$21.56
Notes:			
(1) These charges are payable only in areas where the services are, or will be, available in an area designated for the particular service in the Region's Official Plan.			
(2) Not applicable to the Seaton area as defined in Appendix A of the Background Study and Schedule F of the proposed by-law.			

- 5.2 Recent changes to the DCA, resulting from the More Homes Built Faster Act (Bill 23), require any new DC by-law (passed on or after January 1, 2022) to phase-in the newly calculated rates over a five-year period. The phase-in provisions allow for a maximum of 80 per cent of the calculated rates to be imposed in the first year of a new DC by-law. The maximum rate increases by 5 per cent annually until reaching the full 100 per cent of the calculated rate in year five of the new DC by-law. This phase-in provision applies to both residential and non-residential rates.
- 5.3 The tables below provide the proposed Regional residential and non-residential DCs, for all development types, which are recommended to be implemented as of July 1, 2023 (inclusive of the 80 per cent phase-in).

Table 5
Proposed Residential Development Charges with Phase In
For July 1, 2023
(per unit)

<u>Service Category</u>	<u>Phase In</u>	<u>Single / Semi Rate</u>	<u>Medium Density</u>	<u>2 bdr apt</u>	<u>1 bdr apt</u>
Water Supply ⁽¹⁾⁽²⁾	80%	\$20,894	\$16,640	\$12,165	\$7,473
Sanitary Sewer ⁽¹⁾⁽²⁾	80%	\$19,086	\$15,200	\$11,112	\$6,825
Regional Roads	80%	\$21,598	\$17,201	\$12,574	\$7,723
Regional Police Services	80%	\$782	\$622	\$455	\$279
Long Term Care	80%	\$438	\$349	\$255	\$157
Paramedic Services	80%	\$353	\$281	\$206	\$126
Waste Diversion	80%	\$75	\$60	\$44	\$27
Total ⁽³⁾		\$63,226	\$50,353	\$36,811	\$22,610

Notes:

(1) These charges are payable only in areas where the services are, or will be, available in an area designated for the particular service in the Region's Official Plan.

(2) Not applicable to the Seaton area as defined in Appendix A of the Background Study and Schedule F of the proposed by-law.

(3) Additional Regional development charges exist for GO Transit and Regional Transit under By-law #86-2001 and By-law #39-2022, respectively.

Table 6
Proposed Non-Residential Development Charges with Phase In
For July 1, 2023
(\$ per square foot for Gross Floor Area)

Service Category	Phase In	Commercial	Industrial	Institutional
Water Supply ⁽¹⁾⁽²⁾	80%	\$6.01	\$3.89	\$1.62
Sanitary Sewer ⁽¹⁾⁽²⁾	80%	\$9.65	\$5.65	\$2.34
Regional Roads	80%	\$17.53	\$6.07	\$13.29
Total		\$33.19	\$15.61	\$17.25
Notes: (1) These charges are payable only in areas where the services are, or will be, available in an area designated for the particular service in the Region's Official Plan. (2) Not applicable to the Seaton area as defined in Appendix A of the Background Study and Schedule F of the proposed by-law.				

- 5.4 Attachment #2 provides a comparison of the proposed rates for July 1, 2023, with the current rates for a single/semi-detached residential unit. The proposed rates represent an increase of \$25,367 per unit (including Regional Transit and GO Transit), or approximately a 63 per cent increase.
- 5.5 The increased rates are due in part to significantly higher capital costs relative to the last DC study from 2018. Pandemic related supply chain issues and labour shortages have led to significant inflationary pressures over the past couple years. Also, the lower population growth forecast and higher proportion of high-density units translates into a lower forecast for single-detached equivalent units (on which the rates are based). Significantly higher costs and a slower growth forecast are combining to increase the rates.
- 5.6 Attachment #3 provides a comparison of the proposed non-residential rates, for July 1, 2023, with the current rates (including Regional Transit). The proposed rates are increasing by \$9.78 per sq. ft. (40 per cent) for commercial development, \$3.35 per sq. ft. (26 per cent) for industrial, and \$5.43 per sq. ft. (43 per cent) for institutional.
- 5.7 The increased rates are due in part to the same significantly higher capital costs impacting residential DCs. Forecasted employment growth is lower than what was forecasted in 2018 and the composition of employment has also shifted. These factors are contributing to larger and varying increases among the non-residential categories.

- 5.8 It is proposed that the full phased-in rates, for both residential and non-residential development (Tables 5 and 6), be implemented on July 1, 2023.

6. Comparison of Residential and Non-residential Development Charges

- 6.1 The table below compares Durham's proposed residential DCs to the current rates of other Upper Tier Regional Municipalities in the Greater Toronto Area (GTA). York and Halton Region recently updated their DC By-laws in 2022 and are therefore subject to the same phase-in provisions as the Durham Regional DC By-law. The rates for Durham, Halton, and York include the mandatory phase-in provisions.

Table 7
Residential Development Charges across GTA Upper Tier Regional Municipalities
Per single detached unit (as of April 1, 2023)

Upper Tier Municipality	\$ Per Single Detached Unit ⁽¹⁾
Peel Region	74,772
Durham Region (proposed)	65,896
York Region	61,330
Halton Region (Greenfield Recovery Area)	57,578
Halton Region (Urban Built Boundary)	39,870
Upper Tier Average	57,451
Note: (1) Includes all applicable Regional Transit and GO Transit DC's.	

- 6.2 The Region of Durham has the second highest residential rates for single and semi-detached units of the upper-tier municipalities in the GTA. It should be noted that the capital costs in the Region of Durham's Background Study are all in current (\$2023) dollars, meaning they fully incorporate all recent inflationary increases.
- 6.3 The table below compares Durham's proposed non-residential development charges to the current rates of other Upper Tier Regional Municipalities in the GTA. The same phase-in provisions are included for York, Halton and Durham as were included in the residential comparison.

Table 8
Non-residential Development Charges across GTA Upper Tier Regional
Municipalities
As of April 1, 2023
(\$ per square foot of gross floor area)

	Commercial	Industrial	Institutional
York Region	48.40 (retail)	19.52 (non-retail)	19.52 (non-retail)
Halton Region Greenfield	50.79 (retail)	16.51	16.51
Halton Region Built Boundary	45.52 (retail)	11.24	11.24
Durham Region (proposed)	34.03	16.45	18.09
Peel Region	27.78 (non-industrial)	21.49	27.78 (non-industrial)
Note: Durham Region includes all applicable Regional Transit DC's.			

6.4 Durham Region's commercial DC rates are still among the lowest in the GTA. The Region's industrial and institutional rates are among the average.

7. Changes to Regional Development Charge By-law

7.1 The main changes to the proposed new DC By-law include the following:

- Adding the additional DC service of Waste Diversion;
- Broadening the definition of a bedroom to meet the area requirements of the Ontario Building Code;
- Broadening the definition of apartment building to include stacked townhouses;
- Eliminating the expiry clause to comply with Provincial legislation (extending the by-law duration from five to ten years); and,
- Reducing the timeframe for which redevelopment credits are applied from within ten years after the date of the first demolition permit to within five years.

7.2 Further changes to definitions have been proposed to better define terms and to ensure compliance with legislation. A summary of the policy change recommendations are included in Table ES-9 of the Background Study Executive Summary.

- 7.3 Minor administrative changes have also been proposed to the Region Share Policy (Appendix B of the Background Study) and the Well Interference Policy (Appendix C of the Background Study). The changes are related to increasing the dollar thresholds required for Council reporting to account for inflation. It is also recommended that Council reporting under the Region Share policy be done for information purposes as opposed to for Council approval. This is intended to expedite the approval process.
- 7.4 No changes have been proposed to the Intensification Servicing Policy (Appendix D of the Background Study).

8. Amending Background Studies and Proposed By-laws

- 8.1 The proposed amendments to both the Regional Transit and GO Transit DC By-laws are recommended to ensure policy consistency among the three by-laws. The proposed new Regional DC By-law includes changes to definitions and other policies, which are being reflected in the Regional Transit and GO Transit by-laws by way of these amendments. The amendments are only being done to ensure policy consistency and there are no proposed changes to either of the rates.

9. Staff Consultations

- 9.1 Prior to the public release of the Background Study and proposed By-law, letters were sent to the Greater Toronto Area (GTA) Chapter of the Building Industry and Land Development Association (BILD), as well as the Durham Region Home Builders Association (DRHBA), advising of the public process for completing a new Regional DC Background Study and By-law. The letter also offered an opportunity for the organizations to meet with Regional staff to discuss the pending study. Copies of the DC Background Study and proposed DC By-law were subsequently sent to the development organizations after the public release of the study, along with another invitation to meet with staff.
- 9.2 Both BILD and DRHBA had expressed an interest to meet after the public release of the new DC Background Study and proposed By-law on March 28. Regional staff will be meeting with representatives from the two organizations in early April.
- 9.3 Similar correspondence was sent to the various Boards of Trade and Chambers of Commerce within Durham Region, as well as various Business Improvement Associations within the Region. The letters also offered an opportunity to meet with staff to discuss the details of the Background Study and By-law. As of the time of writing, none of these organizations have requested a meeting.
- 9.4 Throughout the development of the DC Background Study, Regional staff had consulted with an inter-departmental group of local area municipal staff. In particular, the proposed policy modifications have been discussed and supported.

10. Next Steps

- 10.1 All comments received at the April 12, 2023 Public Meeting and any written submissions from the public received by the Regional Clerk by 5 p.m. on May 5 will be considered in preparing the final Regional DC By-law and the final amending by-laws for Regional Transit and GO Transit. The final By-laws will be presented to Regional Council at a special meeting on June 14.
- 10.2 If any changes to the by-law are proposed following the April 12 Public Meeting, Regional Council must also formally consider whether a second public meeting is required.

11. Relationship to Strategic Plan

- 11.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:
- a. Ensuring the Region's DC By-law is in conformity with the DCA, supporting Goal 5 (Service Excellence).

12. Conclusion

- 12.1 In accordance with the public consultation process previously approved by Regional Council, it is recommended that this report be received for information. The final recommendations regarding the proposed Regional DC By-law and the proposed amending DC By-laws for Regional Transit and GO Transit are to be presented to Regional Council on June 14.
- 12.2 It is recommended that all submissions received by Regional Council, including those opinions expressed verbally at the April 12 public meeting, and any written submissions received by the Regional Clerk by 5 p.m. on May 5 be received and referred to Regional staff for consideration in the preparation of the final Regional DC By-law and final amending DC By-laws for Regional Transit and GO Transit.

13. Attachments

- Attachment #1: Public Notice
- Attachment #2: Comparison of Current and Proposed Residential Development Charges
- Attachment #3: Comparison of Current and Proposed Non-Residential Development Charges
- Attachment #4: Comparison of Residential and Non-Residential Development Charges (Greater Toronto Area Municipalities)

Respectfully submitted,

Original Signed By

N. Taylor, BBA, CPA, CA
Commissioner of Finance

Recommended for Presentation to Committee

Original Signed By

Elaine C. Baxter-Trahair
Chief Administrative Officer

Attachment #1 - Public Notice



REGIONAL MUNICIPALITY OF DURHAM NOTICE OF PUBLIC MEETINGS REGARDING REGIONAL DEVELOPMENT CHARGES

On April 12, 2023, Durham Regional Council will hold three public meetings, pursuant to Section 12 of the Development Charges Act, 1997. These meetings were originally scheduled for March 29 but have now been rescheduled for April 12.

The first public meeting will be held to present a new by-law to replace Regional Development Charge By-law No. 28-2018. The second public meeting will be held to present the proposed amendments to Regional Transit Development Charge By-law No. 39-2022. The third public meeting will be held to present the proposed amendments to GO Transit Development Charge By-law No. 86-2001. These meetings will be held to present the proposed underlying background studies and obtain public input on these proposed by-laws and studies.

The public meetings are to be held on:

Wednesday, April 12, 2023
9:30 a.m.
The Regional Municipality of Durham Headquarters
Council Chambers
605 Rossland Road East
Whitby, Ontario

To ensure sufficient information is made available to the public, copies of the proposed by-laws and background studies will be made available as of Tuesday, March 28, upon request. The documents will also be posted on the Regional website, at durham.ca, on March 28.

To submit written correspondence to Regional Council, contact Legislative Services by email at clerks@durham.ca, or mail your comments to the Regional Clerk, Regional Municipality of Durham, 605 Rossland Road East, Whitby, ON L1N 6A3 by 5 p.m. on Friday, May 5.

If you wish to make a delegation before Regional Council at the public meeting, submit your request in writing to delegations@durham.ca by noon on Tuesday, April 11. Members of the public who register in advance of the meeting will be provided with the details to delegate electronically. Please note that this meeting will be held in a hybrid meeting format with electronic and in-person participation.

Members of the public are strongly encouraged to view the meeting via live streaming at www.calendar.durham.ca/meetings as an alternative to attending the meeting in person. Information you provide or present during the public meeting, including your name, are subject to the requirements of the Municipal Freedom of Information and Protection of Privacy Act. This will form part of the public record and may be made available to the public.

All submissions received in writing, as well as those opinions expressed at the Public Meeting, will be considered prior to Council's decision. Council's decision is anticipated during a special Regional Council meeting on Wednesday, June 14.

Further information may be obtained by contacting Mary Simpson, Director of Risk Management, Economic Studies and Procurement, Regional Finance Department at 905-668-4113 (ext. 2301) or mary.simpson@durham.ca.

Alexander Harras
Director of Legislative Services / Regional Clerk

Attachment #2
Changes in Residential Development Charges
(per Single Detached/Semi Unit)

<u>Service Category</u>	Current Rate as of January 1, 2023	Proposed Rate for July 1, 2023 ⁽¹⁾	\$ Increase/ (Decrease)
Water Supply ⁽²⁾⁽³⁾	\$12,342	\$20,894	\$8,552
Sanitary Sewer ⁽²⁾⁽³⁾	\$12,013	\$19,086	\$7,073
Regional Roads	\$12,119	\$21,598	\$9,479
Regional Police Services	\$936	\$782	\$(154)
Long Term Care	\$312	\$438	\$126
Paramedic Services	\$246	\$353	\$107
Waste Diversion	\$0	\$75	\$75
Sub - Total	\$37,968	\$63,226	\$25,258
GO Transit ⁽⁴⁾	\$814	\$814	\$0
Regional Transit ⁽⁴⁾	\$1,747	\$1,856	\$109
Total	\$40,529	\$65,896	\$25,367
Notes:			
(1) Mandatory phase in applied according to phase in schedule. Rates do not include annual indexing.			
(2) These charges are payable only in areas where the services are, or will be, available in an area designated for the particular service in the Region's Official Plan.			
(3) Not applicable to the Seaton area as defined in Appendix A of the Background Study and Schedule F of the proposed by-law.			
(4) These charges are imposed under separate Development Charge by-laws but are shown in this table for the purposes of presenting a total quantum of Development Charges.			

Attachment #3
Changes in Non-Residential Development Charges
(\$ per square foot of Gross Floor Area)

Service Category	Rates as of January 1, 2023			Proposed Rate July 1, 2023 ⁽¹⁾			\$ Increase / (Decrease) per sq. ft.		
	Commercial	Industrial	Institutional	Commercial	Industrial	Institutional	Commercial	Industrial	Institutional
Water Supply ⁽²⁾⁽³⁾	\$4.59	\$3.66	\$1.11	\$6.01	\$3.89	\$1.62	\$1.42	\$0.23	\$0.51
Sanitary Sewer ⁽²⁾⁽³⁾	\$7.71	\$4.41	\$1.36	\$9.65	\$5.65	\$2.34	\$1.94	\$1.24	\$0.98
Regional Roads	\$11.16	\$4.24	\$9.40	\$17.53	\$6.07	\$13.29	\$6.37	\$1.83	\$3.89
Sub Total	\$23.46	\$12.31	\$11.87	\$33.19	\$15.61	\$17.25	\$9.73	\$3.30	\$5.38
Regional Transit ⁽⁴⁾	\$0.79	\$0.79	\$0.79	\$0.84	\$0.84	\$0.84	\$0.05	\$0.05	\$0.05
Total	<u>\$24.25</u>	<u>\$13.10</u>	<u>\$12.66</u>	<u>\$34.03</u>	<u>\$16.45</u>	<u>\$18.09</u>	<u>\$9.78</u>	<u>\$3.35</u>	<u>\$5.43</u>

Notes:

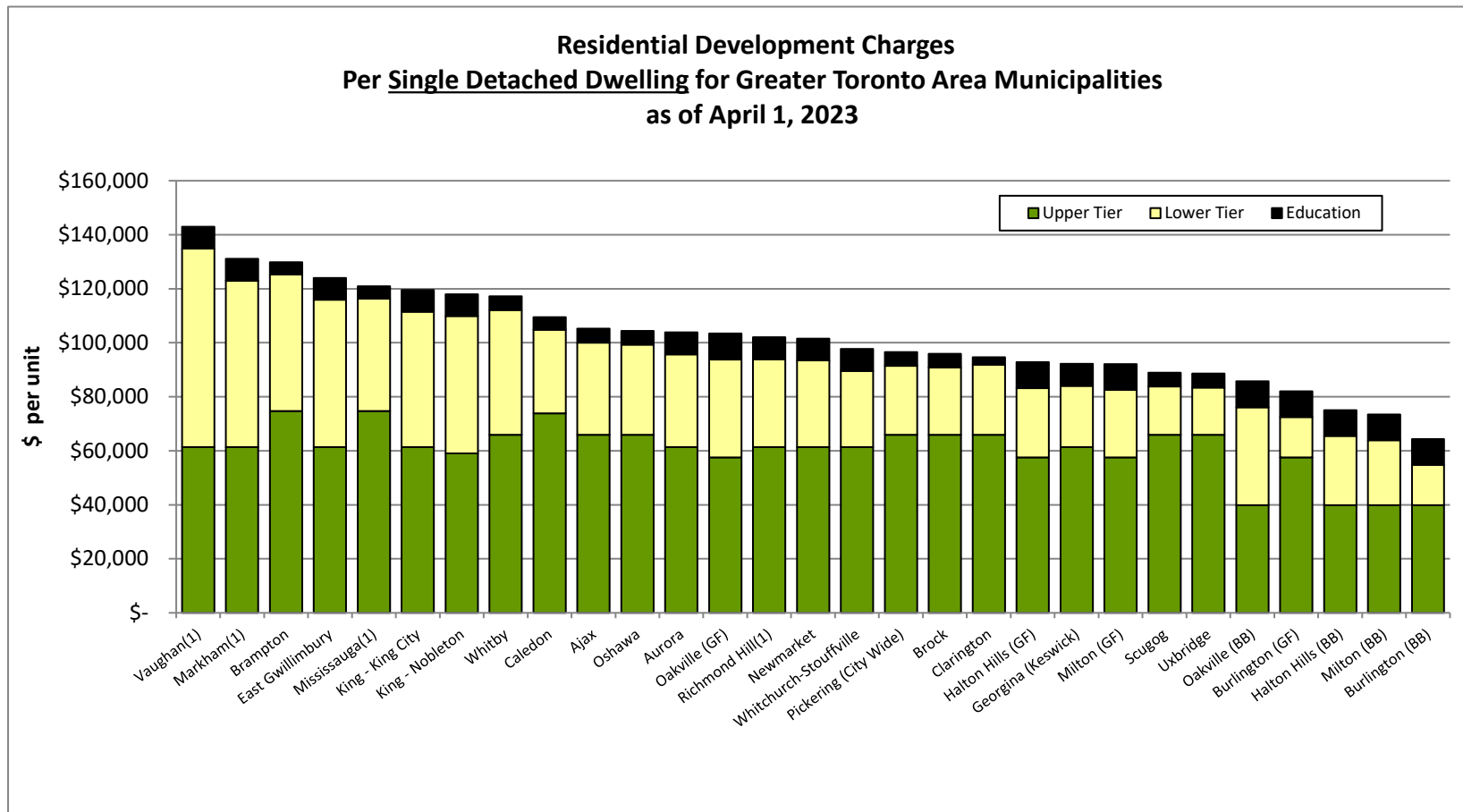
(1) Mandatory phase in applied according to phase in schedule. Rates do not include annual indexing.

(2) These charges are payable only in areas where the services are, or will be, available in an area designated for the particular service in the Region's Official Plan.

(3) Not applicable to the Seaton area as defined in Appendix A of the Background Study and Schedule F of the proposed by-law.

(4) These charges are imposed under a separate Development Charge By-law 39-2022

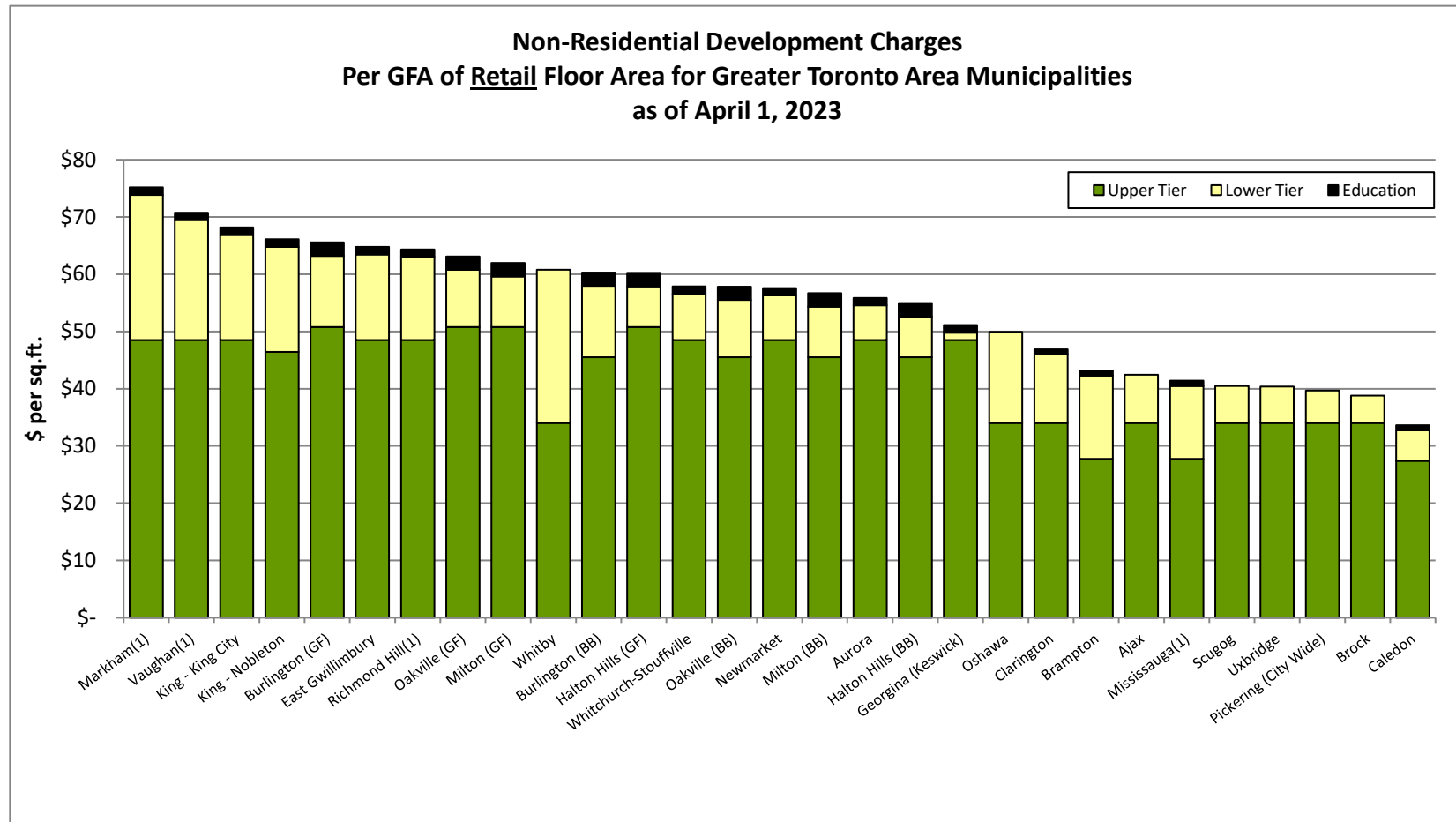
Attachment #4 - Figure 1



BB=Built Boundary & GF=Greenfield.

1. A component of the charge has been converted from a per hectare charge to a hypothetical single detached unit.

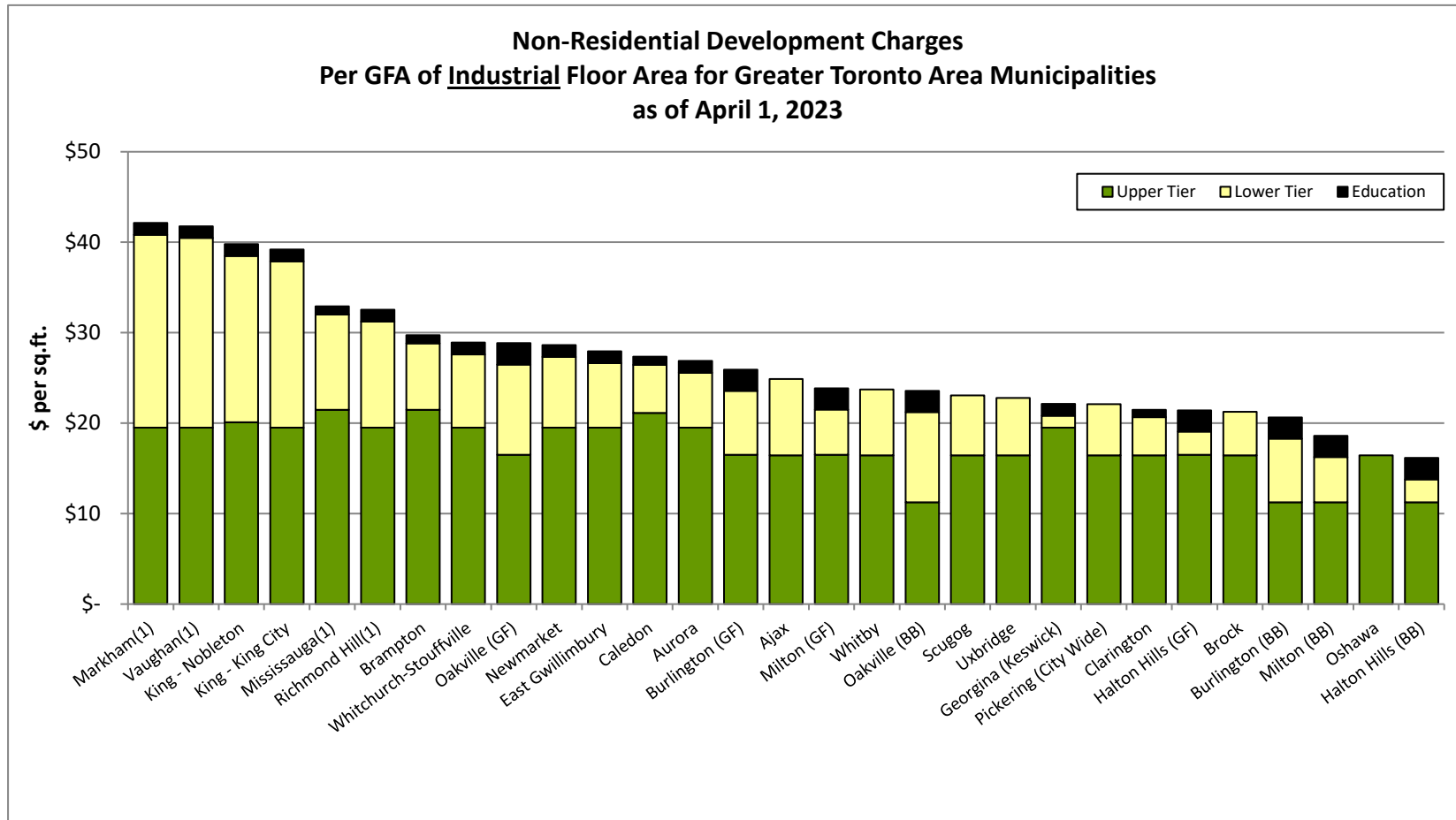
Attachment #4 - Figure 2



BB=Built Boundary & GF=Greenfield.

1. A portion of the charge has been converted from a per hectare charge to a hypothetical GFA charge assuming 30% coverage.

Attachment #4 - Figure 3



BB=Built Boundary & GF=Greenfield.

1. A portion of the charge has been converted from a per hectare charge to a hypothetical GFA charge assuming 30% coverage.