



# 2023 Development Charges Statutory Public Meetings

Special Regional Council Meeting

April 12, 2023

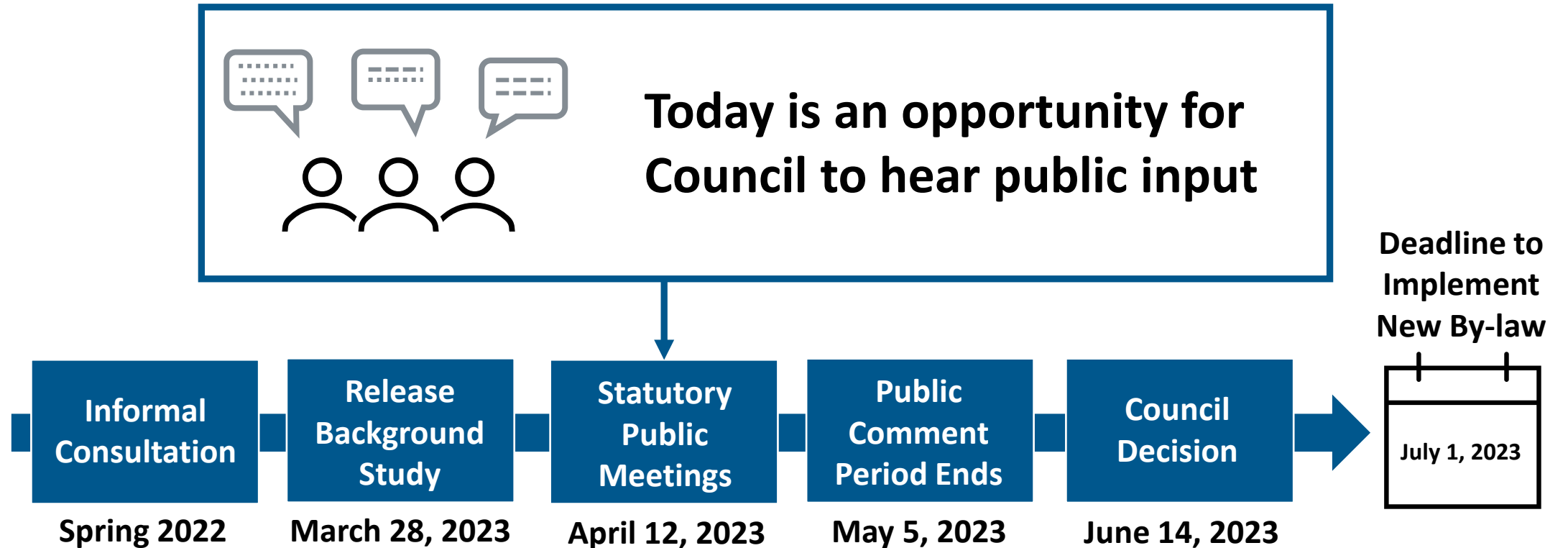


# Statutory Public Meeting #1

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

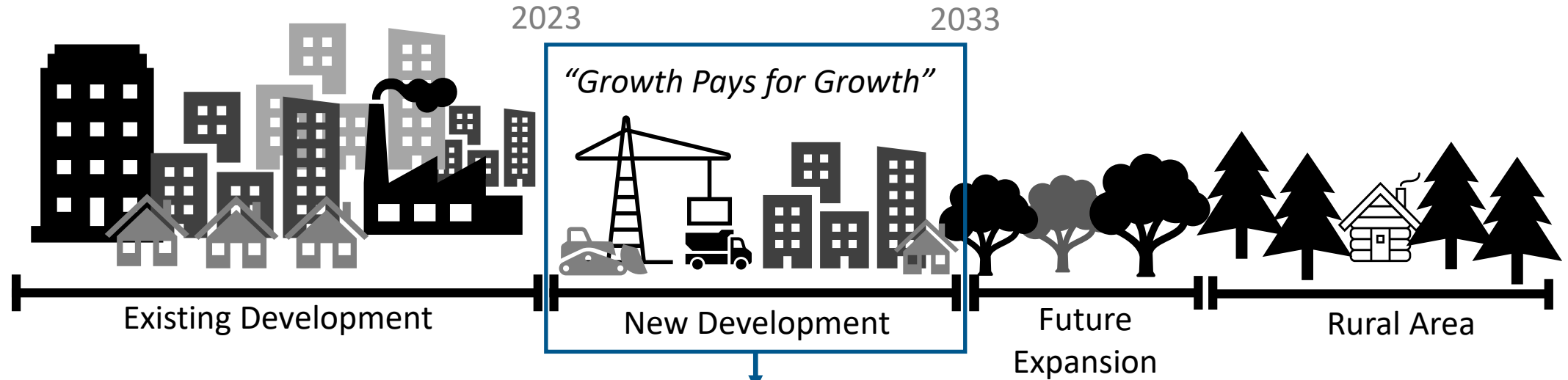


- Population and Employment Forecasts
- 10 year Capital Program
- Economic and Financial Analysis
- Policy Formulation
- Input from Regional Departments
- Feedback from Area Municipalities
- Interested Parties Feedback & Public Consultation including BILD, Home Builders Associations, Boards of Trade,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



**Residential Development**

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

**Non-Residential Development**

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

# 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%	<b>WITH</b>	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 <sup>1,2</sup>	Development Charges
Water Supply	<b>Residential &amp; Non-Residential</b>
Sanitary Sewerage	
Regional Roads	
Long-term Care	<b>Residential Only</b>
Paramedic Services	
(NEW) Waste Diversion	
Regional Police Services	

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

<sup>2</sup> 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.

# 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 <sup>(1)</sup> \$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 <sup>(2)</sup>	<b>\$6,122.8</b>	<b>\$0.0</b>	<b>\$570.1</b>	<b>\$192.6</b>	<b>\$649.0</b>	<b>\$4,711.1</b>	<b>\$3,748.6</b>	<b>\$962.5</b>

(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 <sup>(1)</sup> \$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 <sup>(2)</sup>	<b>\$346.7</b>	<b>\$8.4</b>	<b>\$163.1</b>	<b>\$35.6</b>	<b>\$139.6</b>	<b>\$116.0</b>	<b>\$23.6</b>

(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 <sup>1</sup>	% change from current	Phased-in Rate <sup>2</sup>	% 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%

<sup>1</sup> Includes Regional Transit and GO Transit rates

<sup>2</sup> 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 <sup>(1)(2)</sup>	\$26,117	\$20,800	\$15,206	\$9,340
Sanitary Sewer <sup>(1)(2)</sup>	\$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	<b>\$79,033</b>	<b>\$62,941</b>	<b>\$46,014</b>	<b>\$28,262</b>
GO Transit <sup>(3)</sup>	\$814	\$720	\$511	\$304
Regional Transit <sup>(3)</sup>	\$1,856	\$1,462	\$1,038	\$638
Total	<b>\$81,703</b>	<b>\$65,123</b>	<b>\$47,563</b>	<b>\$29,204</b>

<sup>(1)</sup> 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.

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

<sup>(3)</sup> 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 <sup>(1)(2)</sup>	\$12,342	\$20,894	\$8,552
Sanitary Sewer <sup>(1)(2)</sup>	\$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	<b>\$37,968</b>	<b>\$63,226</b>	<b>\$25,258</b>
GO Transit <sup>(3)</sup>	\$814	\$814	\$0
Regional Transit <sup>(3)(4)</sup>	\$1,747	\$1,856	\$109
Total	<b>\$40,529</b>	<b>\$65,896</b>	<b>\$25,367</b>

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(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 <sup>1</sup>	% change from current	Phased-in Rate <sup>2</sup>	% change from current
Commercial	\$42.32	+75%	\$34.03	+40%
Industrial	\$20.35	+55%	\$16.45	+26%
Institutional	\$22.40	+77%	\$18.09	+43%

<sup>1</sup> Includes Regional Transit and GO Transit rates

<sup>2</sup> 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 <sup>(1)(2)</sup>	\$7.51	\$4.86	\$2.03
Sanitary Sewer <sup>(1)(2)</sup>	\$12.06	\$7.06	\$2.92
Regional Roads	\$21.91	\$7.59	\$16.61
Sub - Total	<b>\$41.48</b>	<b>\$19.51</b>	<b>\$21.56</b>
Regional Transit <sup>(3)(4)</sup>	\$0.84	\$0.84	\$0.84
Total	<b>\$42.32</b>	<b>\$20.35</b>	<b>\$22.40</b>

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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)

Service Category	Proposed Phased-In Rates			\$ Increase / (Decrease) per sq. ft.		
	Commercial	Industrial	Institutional	Commercial	Industrial	Institutional
Water Supply <sup>(1)(2)</sup>	\$6.01	\$3.89	\$1.62	\$1.42	\$0.23	\$0.51
Sanitary Sewer <sup>(1)(2)</sup>	\$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	<b>\$33.19</b>	<b>\$15.61</b>	<b>\$17.25</b>	<b>\$9.73</b>	<b>\$3.3</b>	<b>\$5.38</b>
Regional Transit <sup>(3)(4)</sup>	\$0.84	\$0.84	\$0.84	\$0.05	\$0.05	\$0.05
Total	<b>\$34.03</b>	<b>\$16.45</b>	<b>\$18.09</b>	<b>\$9.78</b>	<b>\$3.35</b>	<b>\$5.43</b>

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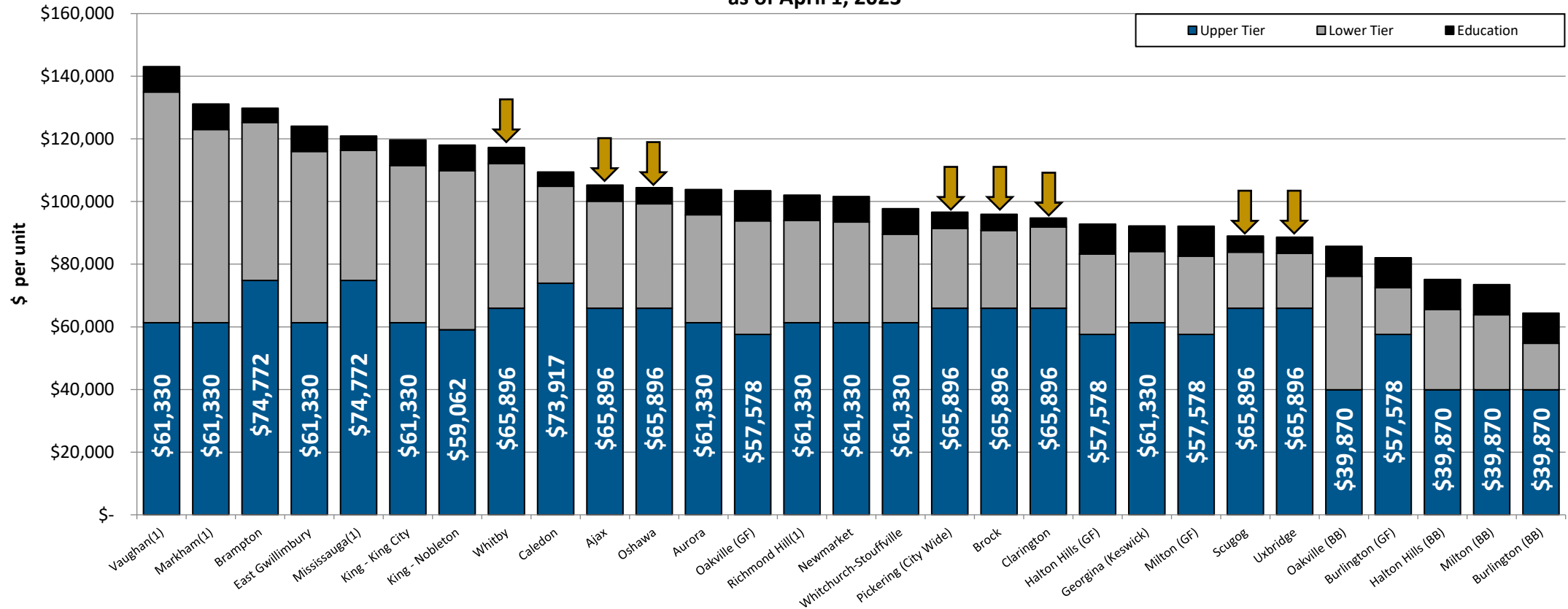
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# Comparison of GTA Municipalities DC Rates

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

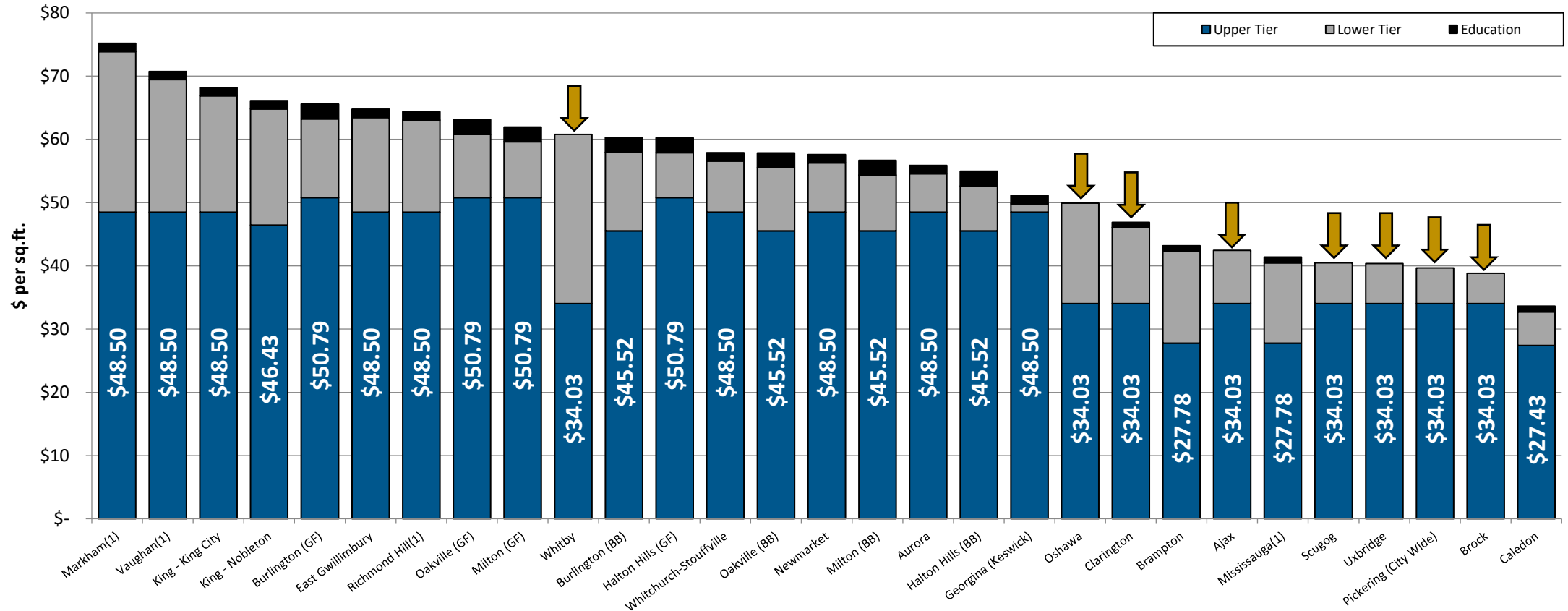


(1) = A component of the charge has been converted from a per hectare charge to a hypothetical single detached unit.  
 (BB) = Built Boundary (Urban)  
 (GF) = Greenfield (Urban)



# 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

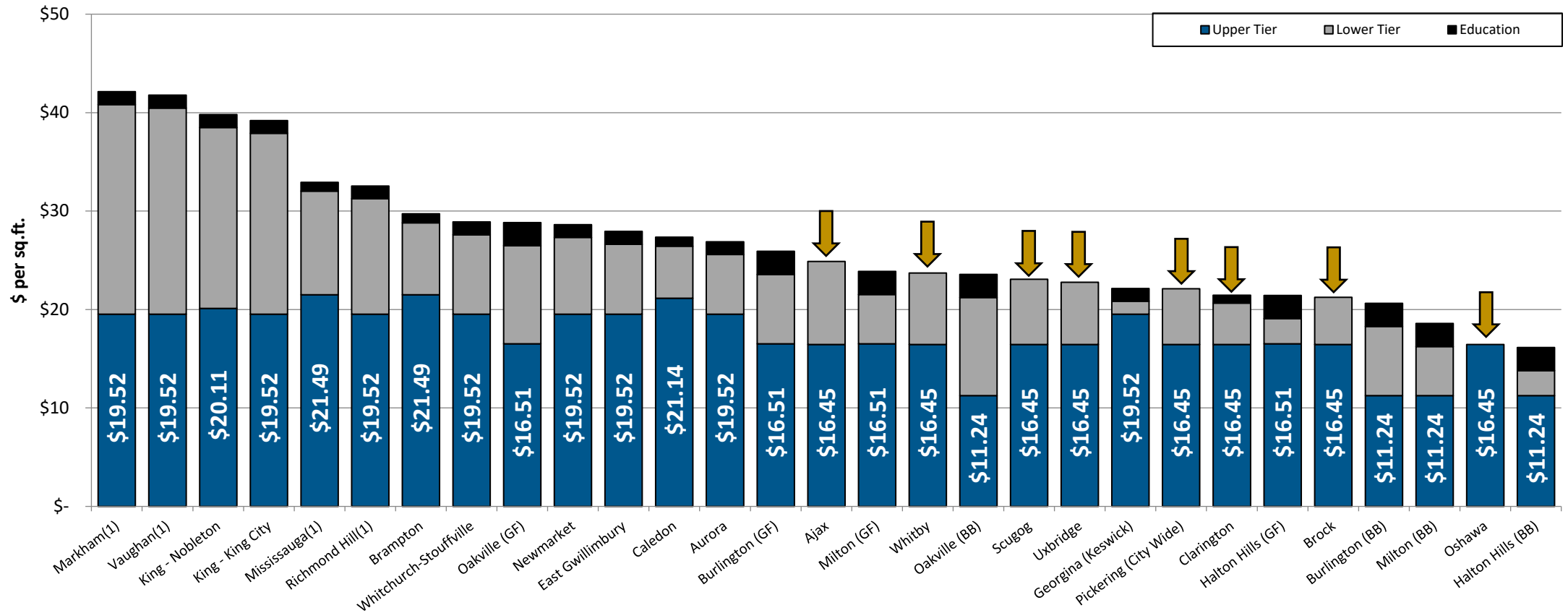


(1) = A portion of the charge has been converted from a per hectare charge to a hypothetical GFA charge assuming 30% coverage  
 (BB) = Built Boundary (Urban)  
 (GF) = Greenfield (Urban)



# 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**



# Next Steps

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



# Public Input



# Further Information

**Mary Simpson**

Director of Risk Management, Economic Studies  
and Procurement Division

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[@RegionofDurham](#)

