



2023 Development Charges Statutory Public Meetings

Special Regional Council Meeting

April 12, 2023

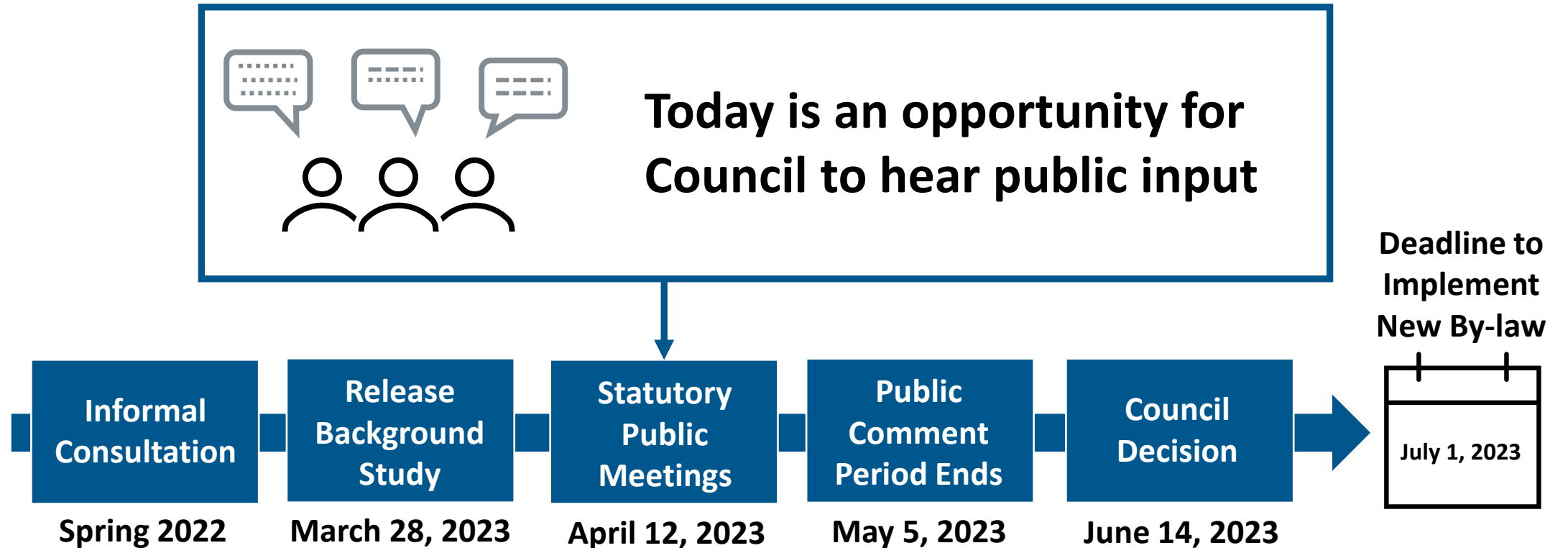


Statutory Public Meeting #1

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

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

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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 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)

Service Category	Proposed Phased-In Rates			\$ Increase / (Decrease) per sq. ft.		
	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

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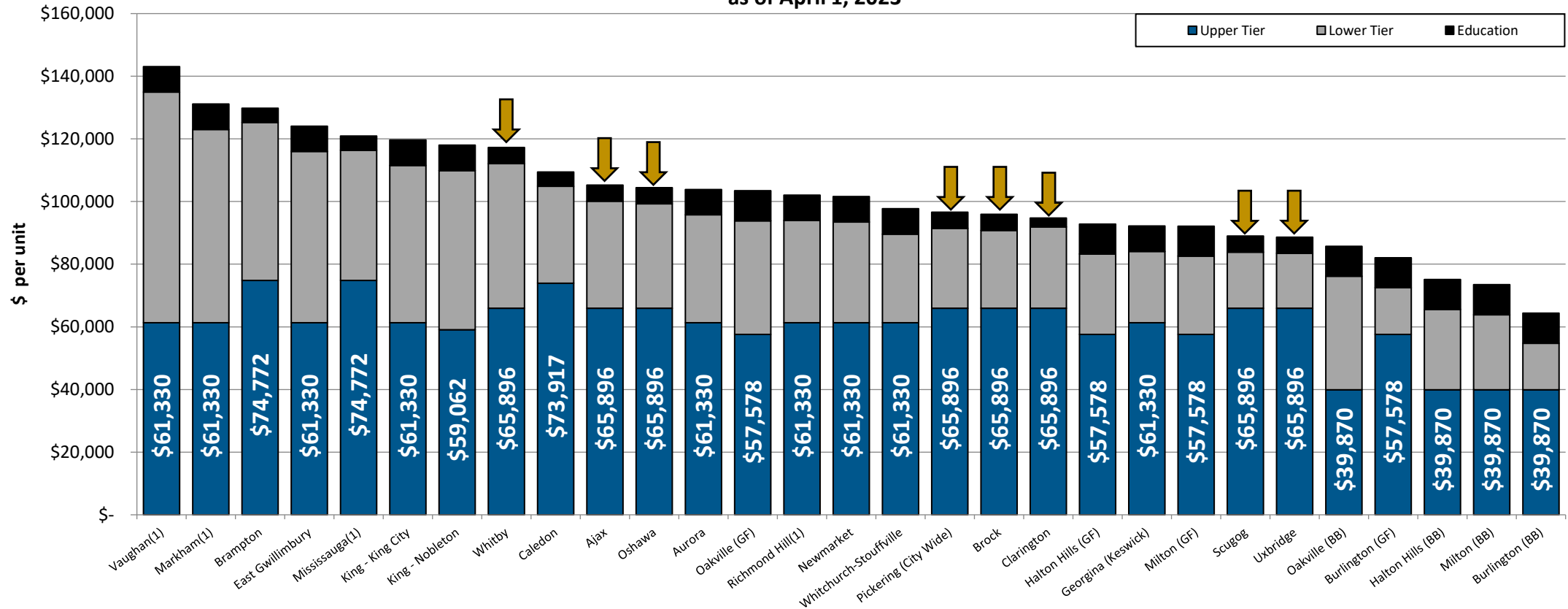
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(4) The Regional Transit DC By-law is subject to the mandatory 80% phase-in starting July 1, 2022, increasing to 85% on July 1, 2023.



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

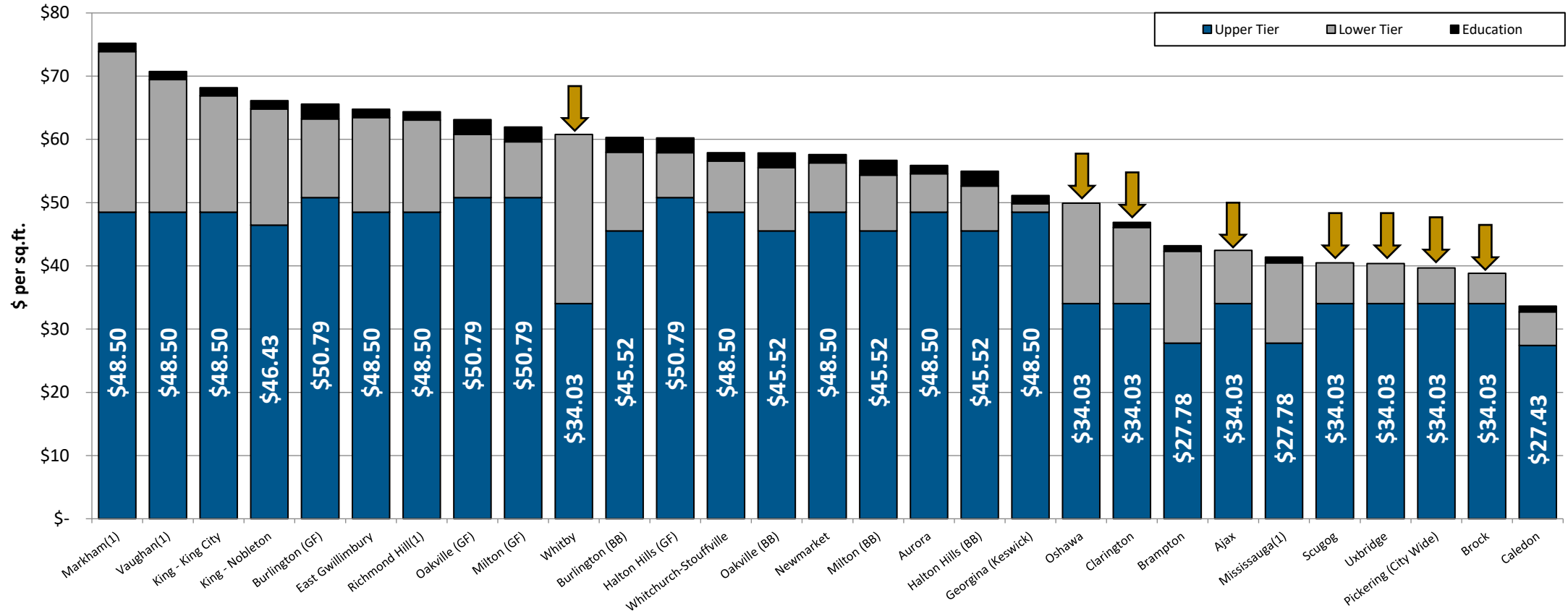


(1) = A component of the charge has been converted from a per hectare charge to a hypothetical single detached unit.
 (BB) = Built Boundary (Urban)
 (GF) = Greenfield (Urban)



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

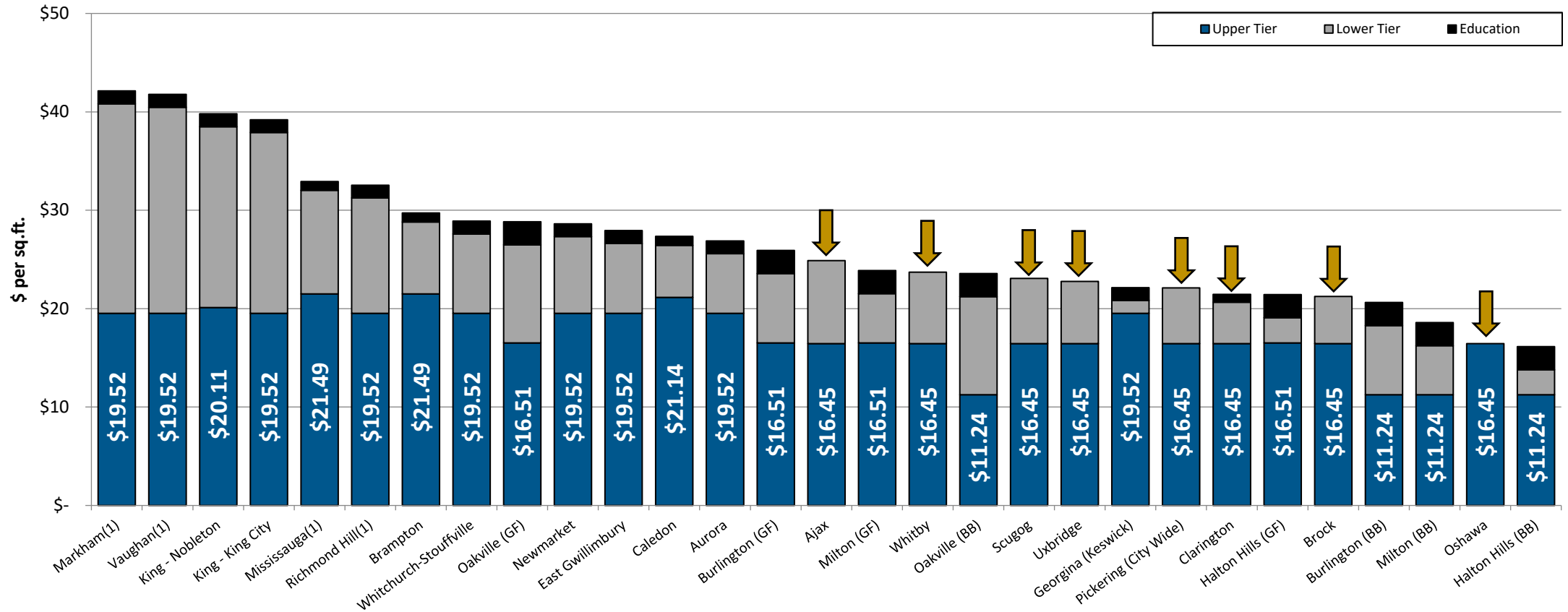


(1) = A portion of the charge has been converted from a per hectare charge to a hypothetical GFA charge assuming 30% coverage
 (BB) = Built Boundary (Urban)
 (GF) = Greenfield (Urban)



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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 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 #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
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clerks@durham.ca

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Public Input



Further Information

Mary Simpson

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and Procurement Division

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[@RegionofDurham](#)

