



# Town of Aurora 2024 Development Charges

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Public Meeting

February 6, 2024



# Format for Public Meeting

- Opening Remarks
- Public Meeting Purpose
- Study Process and Timelines
- Development Charges Overview
- Presentation of the Proposed Policies and Charges
- Presentations by the Public
- Questions from Council
- Conclude Public Meeting

# Public Meeting Purpose



- The public meeting is to provide for a review of the D.C. proposal and to receive public input on the proposed policies and charges.
- The meeting is a mandatory requirement under the Development Charges Act (D.C.A.).
- Prior to Council's consideration of a by-law, a background study must be prepared and available to the public a minimum 60 days prior to the D.C. by-law passage.

# Study Process and Timelines



- ✓ Project Kick-off Meeting – June 16, 2023
- ✓ Data Compilation – June to November 2023
- ✓ Policy Review – June to November 2023
- ✓ Staff Interviews (Review Service Standards, Capital, Growth Forecast, etc.) – September 2023
- ✓ Stakeholder Presentation #1 – September 14, 2023
- ✓ Council Workshop – October 3, 2023
- ✓ Stakeholder Presentation #2 – January 12, 2024
- ✓ Final Report and Draft By-law – January 23, 2024
- ❖ **Mandatory Public Meeting – February 6, 2024**
- General Committee Meeting – March 5, 2024
- Council Consideration of D.C. By-law – March 26, 2024

# Development Charges (D.C.)



## Purpose:

- To recover the capital costs associated with residential and non-residential growth within a municipality
- The capital costs are in addition to what costs would normally be constructed as part of a subdivision (i.e. internal roads, sewers, watermains, sidewalks, streetlights, etc.)
- Municipalities are empowered to impose these charges via the Development Charges Act (D.C.A.)



# D.C. Eligible Services

1. **Water**
2. **Wastewater**
3. Storm water drainage
4. **Services related to a highway**
5. Electrical power services.
6. Toronto-York subway extension.
7. Transit
8. Waste diversion
9. Policing Services
10. **Fire protection**
11. Ambulance
12. **Library**
13. Long-term Care
14. **Parks and Recreation**
15. Public Health services
16. Childcare and early years services
17. **Housing services**
18. Provincial Offences Act
19. Emergency Preparedness
20. Airports (Waterloo Region only)

**These are the current D.C. eligible services being considered in the calculations**  
**\*Amended as per Bill 23**

# Changes to D.C. Legislation - Overview



There were a number of changes to the D.C.A. since the passage of the Town's 2019 D.C. By-law which were detailed in the Town's 2021 D.C. Update Study. These changes were provided through:

- Bill 108: More Homes, More Choice Act, 2019
- Bill 138: Plan to Build Ontario Together Act, 2019
- Bill 197: COVID-19 Economic Recovery Act, 2020
- Bill 213: Better for People, Smarter for Business Act, 2020

Since the completion of the D.C. Update Study in 2021, further legislative changes have been made to the D.C.A. through Bill 23, *More Homes Built Faster Act*, 2022 and Bill 134, *Affordable Homes and Good Jobs Act*, 2023.

# Bill 23 Overview



- The Province passed Bill 23: More Homes Built Faster Act, 2022 on November 28, 2022
- This Bill amends a number of pieces of legislation, including the Development Charges Act (D.C.A.), and the Planning Act
- These changes impact development charges (D.C.s), community benefits charges (C.B.C.s), and parkland dedication
- The changes provided through Bill 23 negatively impact the Town's ability to collect revenues to fund growth-related capital expenditures



# Changes to D.C. Legislation

## Bill 23/Bill 134



### Currently Not in Force:

- **Affordable Rental Unit:** Where rent is no more than 80% of the average market rent, **as defined by a new Bulletin**, published by the Ministry of Municipal Affairs and Housing.
- **Affordable Owned Unit:** Where the price of the unit is no more than 80% of the average purchase price, **as defined by a new Bulletin**, published by the Ministry of Municipal Affairs and Housing.
- **Attainable Unit:** Excludes affordable units and rental units, **will be defined as prescribed development or class of development** and sold to a person who is at “arm’s length” from the seller.
  - Note: for affordable and attainable units, the municipality shall enter into an agreement which ensures the unit remains affordable or attainable for 25 years.

**Note:** Bill 134 received Royal Assent on December 4, 2023, which provides a new definition of “affordable” under the D.C.A.:

- **Owned unit (lesser of):** cost is less than 30% of the 60<sup>th</sup> percentile of income for households in the municipality or 90% of the average purchase price as defined in a new Bulletin
- **Rental unit (lesser of):** rent is less than 30% of the 60<sup>th</sup> percentile of income for rental households or average market rent set out in a new Bulletin

### Currently in Force:

- **Inclusionary Zoning Units:** Affordable housing units required under inclusionary zoning by-laws
- **Non-Profit Housing:** Non-profit housing units are exempt from D.C. installment. Outstanding installment payments due after this section comes into force will also be exempt from payment of D.C.s.
- **Additional Residential Unit Exemptions** (units in existing rental buildings, 2nd and 3rd units in existing and new singles, semis, and rowhouses)

# Changes to D.C. Legislation (continued)

## Bill 23



### **D.C. Discounts:**

- Rental Housing Discount (based on number of bedrooms – 15%-25%)

### **D.C. Revenue Reduction:**

- Removal of Housing as an Eligible D.C. Service
- Capital Cost Amendments (restrictions to remove **studies** and land)
- **Mandatory Phase-In of D.C. (Maximum charge of 80%, 85%, 90%, 95%, 100% for first 5 Years of the by-law) - These rules apply to a D.C. by-law passed on or after January 1, 2022**
- Historical Levels of Service from 10 years to 15 years

**\*Note: Currently under review by the Province**

# Changes to D.C. Legislation (continued)

## Bill 23



### **D.C. Administration:**

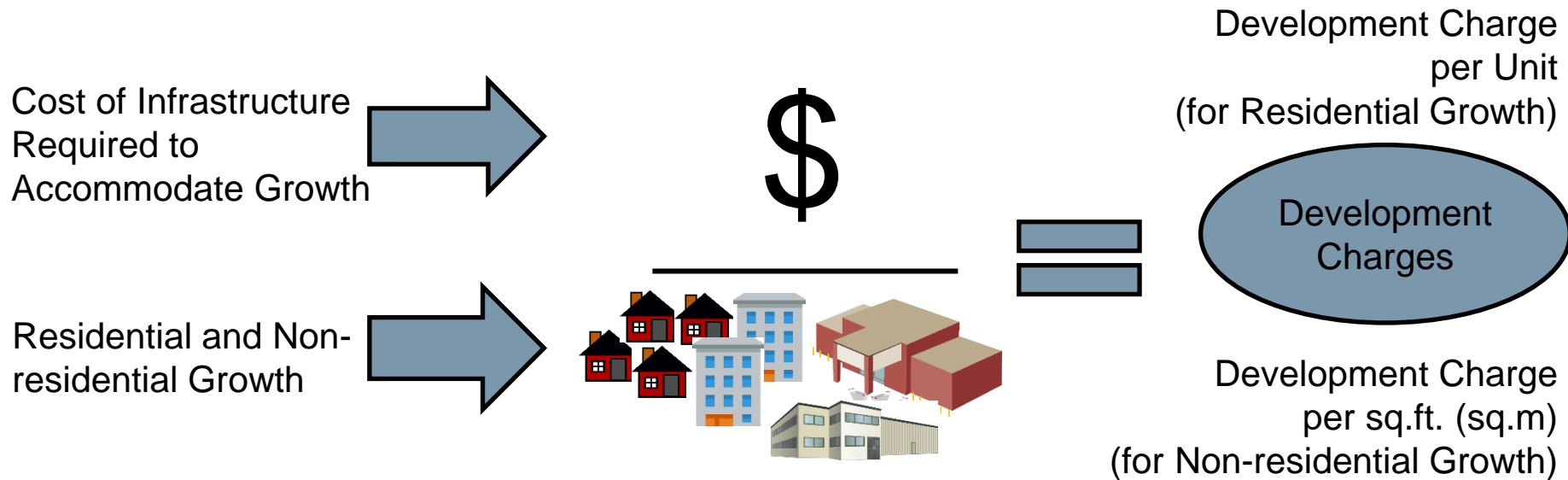
- Maximum Interest Rate for Installments and D.C. Freeze (maximum interest rate would be set at the average prime rate plus 1%)
- Requirement to Allocate 60% of the monies in the reserve funds for Water, Wastewater, and Services Related to a Highway
- D.C. by-law expiry extended to 10 years

# D.C. Methodology – Simplified Steps

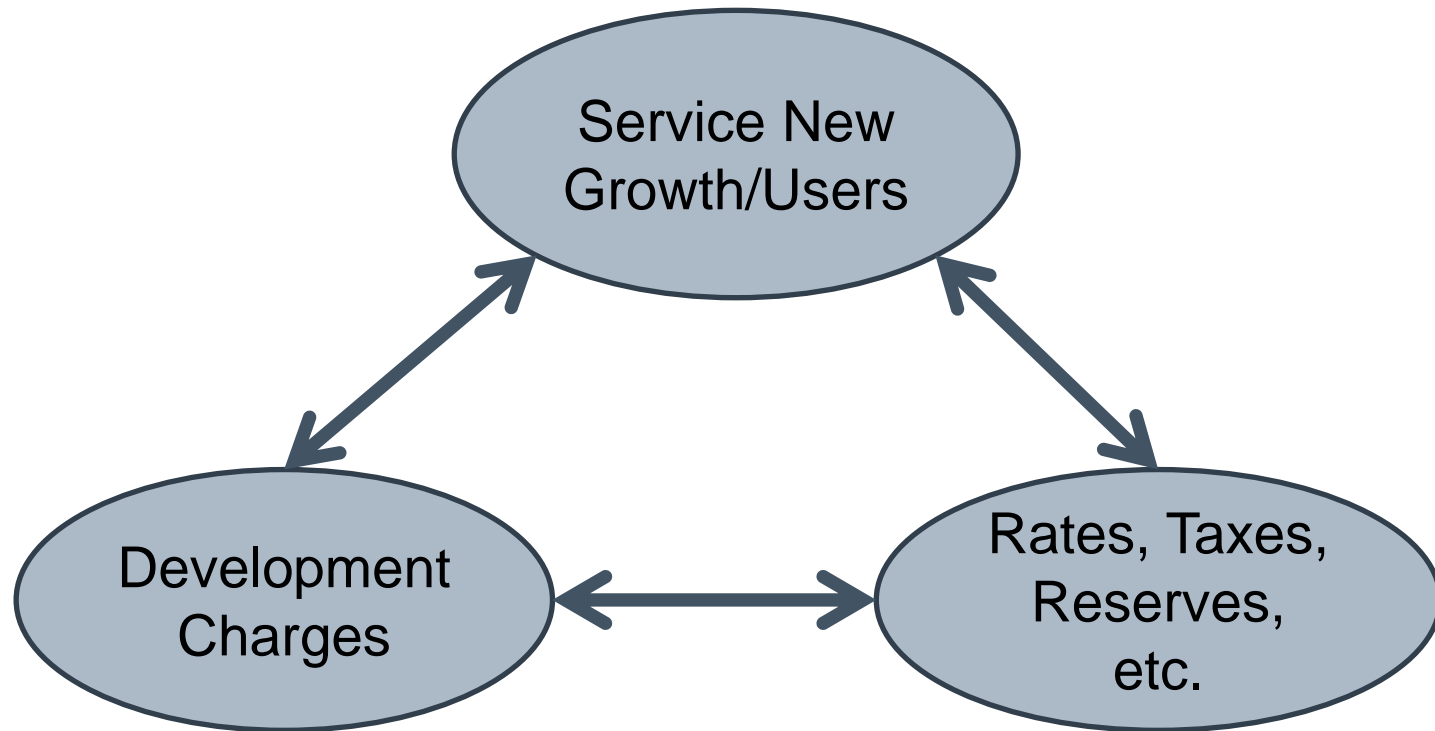


1. Identify amount, type and location of growth
2. Identify servicing needs to accommodate growth
3. Identify capital costs to provide services to meet the needs
4. Deduct:
  - i. Grants, subsidies and other contributions
  - ii. Benefit to existing development
  - iii. Amounts in excess of 15-year historical service calculation
  - iv. D.C. Reserve funds (where applicable)
5. Net costs then allocated between residential and non-residential benefit
6. Net costs divided by growth to calculate the D.C.

# Overview of the D.C. Calculation



# Relationship Between Needs to Service New Development vs. Funding



# Exemptions



## Mandatory Exemptions

- Upper/Lower Tier Governments and School Boards;
- Industrial building expansions (may expand by 50% with no D.C.);
- Development of lands intended for use by a university that receives operating funds from the Government (as per Bill 213);
- May add up to 2 apartments in an existing or new detached, semi-detached, or rowhouse (including in an ancillary structure);
- Add one additional unit or 1% of existing units in an existing rental residential building;
- Affordable and attainable units (to be in force at a later date);
- Affordable inclusionary zoning units;
- Non-profit housing;
- Discount for Rental units based on bedroom size; and
- Phase-in of D.C.s.

## Discretionary Exemptions

- Reduce in part or whole D.C. for types of development or classes of development (e.g. industrial or churches);
- May phase-in over time; and
- Redevelopment credits to recognize what is being replaced on site (not specific in the Act but provided by case law).

# Current Discretionary Exemptions



- Private schools;
- cemetery or burial grounds;
- places of worship;
- non-residential uses permitted pursuant to section 39 of the Planning Act or any successor thereto;
- the issuance of a building permit not resulting in the creation of additional gross floor area;
- agricultural uses;
- public hospitals; and
- land vested in or leased to a university that receives regular and ongoing operating funds from the government for the purposes of post-secondary education.

All current exemptions are proposed to continue in the draft by-law.



# Growth Forecast Summary



Measure	10 Year 2024 to 2034
(Net) Population Increase	13,384
Residential Unit Increase	5,899
Non-Residential Gross Floor Area Increase (sq.ft.)	3,977,700



# Services Being Included

## **Town-wide Services:**

- Fire Protection Services;
- Services Related to a Highway;
- Public Works (Facilities and Fleet);
- Parks & Recreation Services;
- Library Services;
- Water Services; and
- Wastewater Services.

# Current Development Charge Rates

As of January 1, 2024



Service	Residential					Non-Residential
	Single & Semi Detached	Multiples	Apartments 700 sq.ft. and Over	Apartments Under 700 sq.ft.	Special Care/Special Dwelling Units	per sq.m
<b>General Services</b>						
Fire Protection Services	1,300	968	786	538	402	5.79
Parks and Recreation Services	21,435	15,936	12,946	8,874	6,604	10.26
Library Services	2,227	1,656	1,345	921	686	1.03
General Government	1,132	843	685	468	349	5.05
<b>Total General Services</b>	<b>26,094</b>	<b>19,403</b>	<b>15,762</b>	<b>10,801</b>	<b>8,041</b>	<b>22.13</b>
<b>Engineering Services</b>						
Services Related to a Highway	8,962	6,662	5,415	3,712	2,761	40.10
Wastewater Services	1,071	798	647	446	329	4.74
Water Services	550	410	332	227	170	2.52
<b>Total Engineering Services</b>	<b>10,583</b>	<b>7,870</b>	<b>6,394</b>	<b>4,385</b>	<b>3,260</b>	<b>47.36</b>
<b>Total Services</b>	<b>36,677</b>	<b>27,273</b>	<b>22,156</b>	<b>15,186</b>	<b>11,301</b>	<b>69.49</b>

# Calculated Development Charge Rates



Service	RESIDENTIAL					NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Multiples	Apartments 700 sq.ft. and Over	Apartments Under 700 sq.ft.	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)	(per sq.m of Gross Floor Area)
<b>General Services:</b>							
Fire Protection Services	1,292	991	726	499	401	0.58	6.24
Parks and Recreation Services	21,280	16,321	11,950	8,211	6,612	1.07	11.52
Library Services	2,935	2,251	1,648	1,133	912	0.15	1.61
<b>Total General Services</b>	<b>25,507</b>	<b>19,563</b>	<b>14,324</b>	<b>9,843</b>	<b>7,925</b>	<b>1.80</b>	<b>19.38</b>
<b>Engineering Services:</b>							
Services Related to a Highway	9,404	7,212	5,281	3,629	2,922	4.22	45.42
Wastewater Services	1,233	946	692	476	383	0.55	5.92
Water Services	1,003	769	563	387	312	0.45	4.84
<b>Total Engineering Services</b>	<b>11,640</b>	<b>8,927</b>	<b>6,536</b>	<b>4,492</b>	<b>3,617</b>	<b>5.22</b>	<b>56.19</b>
<b>Total Services</b>	<b>37,147</b>	<b>28,490</b>	<b>20,860</b>	<b>14,335</b>	<b>11,542</b>	<b>7.02</b>	<b>75.56</b>

\*Note: The above D.C. rates are subject to the mandatory phase-in from Bill 23

# Development Charges Comparison – Residential (single detached)



Service	Current	Calculated
<b>Town-Wide Services:</b>		
Wastewater Services	1,071	1,233
Services Related to a Highway	8,962	9,404
Fire Protection Services	1,300	1,292
Library Services	2,227	2,935
Parks and Recreation Services	21,435	21,280
General Government	1,132	-
Water Services	550	1,003
<b>Total Town-Wide Services</b>	<b>36,677</b>	<b>37,147</b>

\*Note: The calculated D.C. rates would equal to \$29,718 due to the mandatory phase-in

# Development Charges Comparison – Non-Residential



Service	per sq.m		per sq.ft.	
	Current	Calculated	Current	Calculated
<b>Town-Wide Services:</b>				
Wastewater Services	4.74	5.92	0.44	0.55
Services Related to a Highway	40.10	45.42	3.73	4.22
Fire Protection Services	5.79	6.24	0.54	0.58
Library Services	1.03	1.61	0.10	0.15
Parks and Recreation Services	10.26	11.52	0.95	1.07
General Government	5.05	-	0.47	-
Water Services	2.52	4.84	0.23	0.45
<b>Total Town-Wide Services</b>	<b>69.49</b>	<b>75.56</b>	<b>6.46</b>	<b>7.02</b>

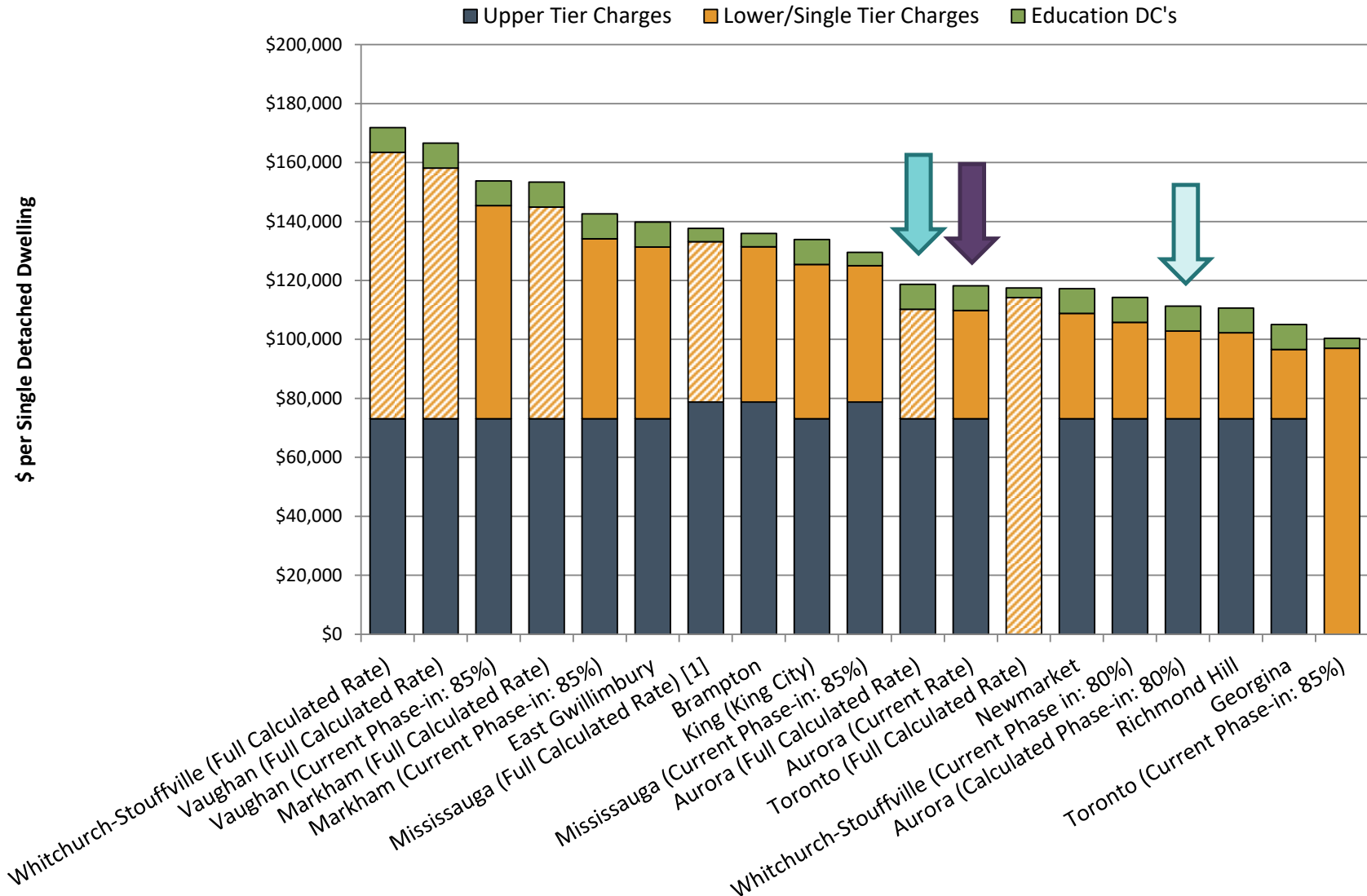
\*Note: The calculated D.C. rates would equal to \$60.45 per sq.m or \$5.62 per sq.ft. due to the mandatory phase-in



# Survey of Comparator Municipalities

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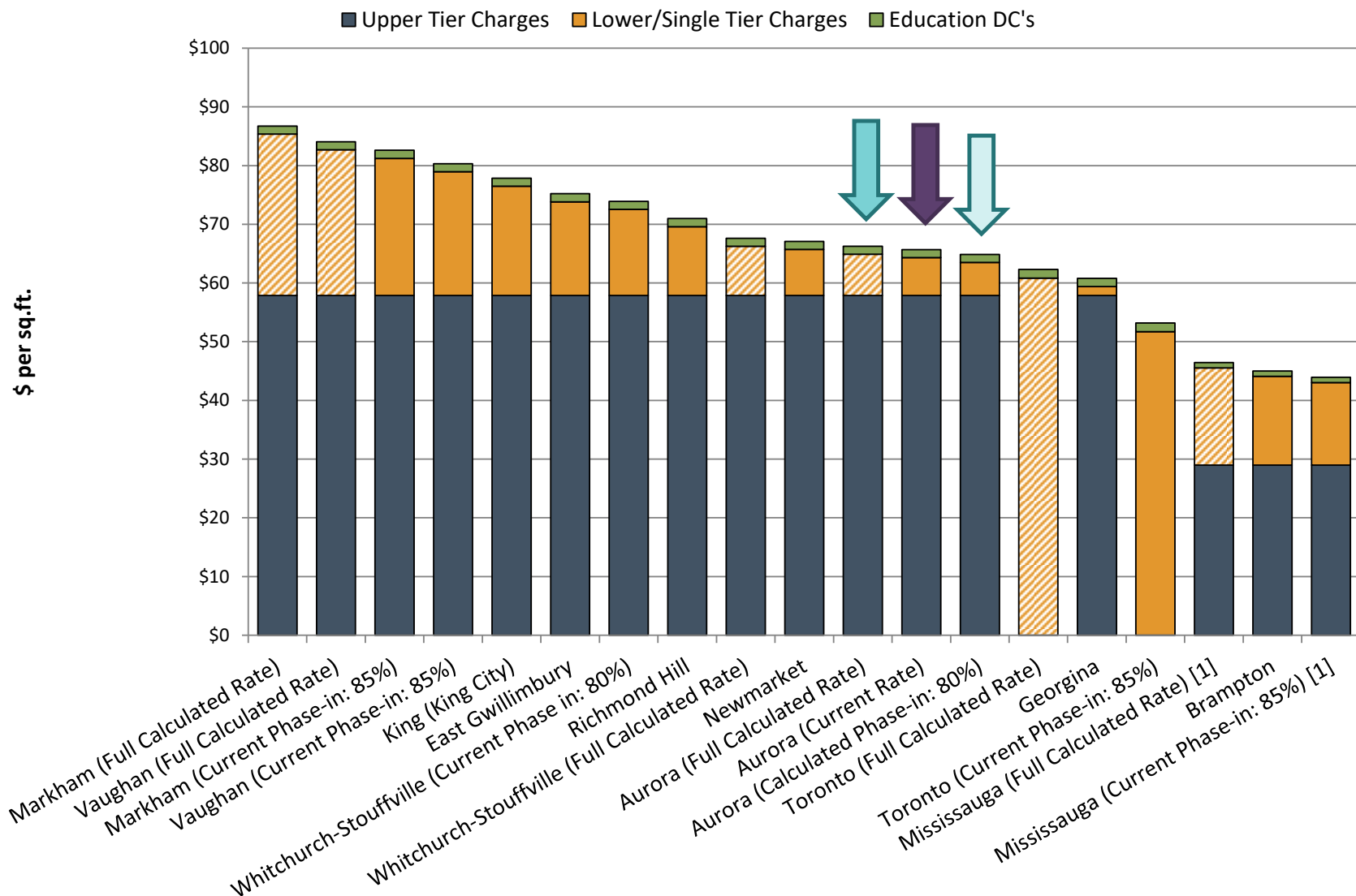
# Residential D.C. Survey – Single Detached



<sup>1</sup> Includes stormwater charge based on area - assuming 12 homes per acre

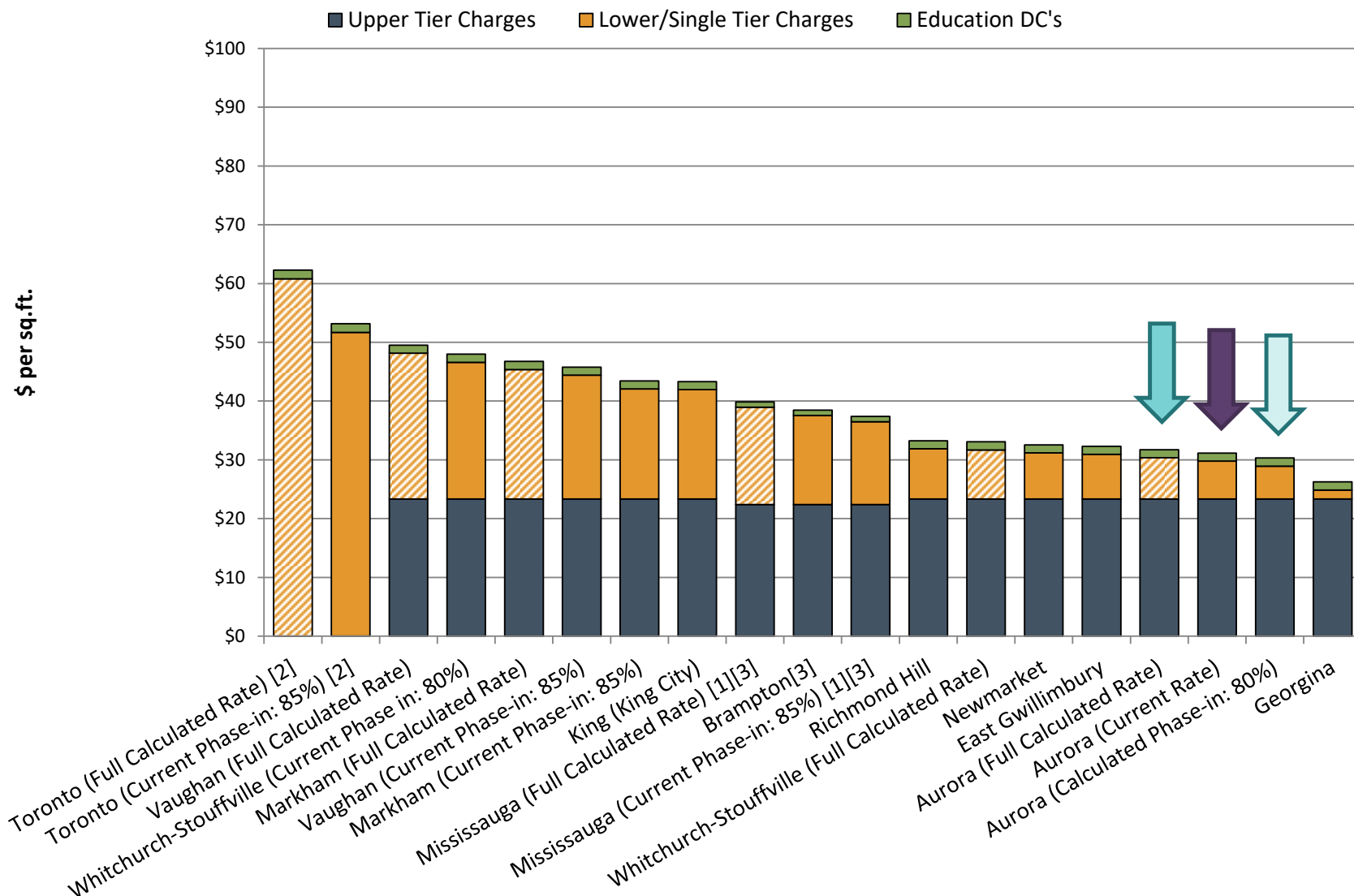


# Non-Residential D.C. Survey - Retail



<sup>1</sup> Includes stormwater charge based on area - assuming 33% lot coverage

# Non-Residential D.C. Survey – Non-Retail



<sup>1</sup> Includes stormwater charge based on area - assuming 33% lot coverage

<sup>2</sup> Note: Industrial development is exempt in Toronto

<sup>3</sup> Non-Industrial Rate presented. Note - Brampton & Mississauga classify as Industrial vs. Non-Industrial

# Study Process and Timelines



- ✓ Project Kick-off Meeting – June 16, 2023
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# Questions



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