

**Report to  
Rapport au:**

**Planning Committee / Comité de l'urbanisme  
May 9, 2019 / 9 mai 2019**

**and Council / et au Conseil  
May 22, 2019 / 22 mai 2019**

**Submitted on April 29, 2019  
Soumis le 29 avril 2019**

**Submitted act**

**Soumis par:**

**John Smit**

**Director / Directeur**

**Economic Development and Long Range Planning / Développement économique  
et planification à long terme Planning, Infrastructure and Economic Development  
Department / Direction générale de la planification, de l'infrastructure et du  
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**Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE      File Number: ACS2019-PIE-EDP-0022**

**SUBJECT: 2019 Development Charges Background Studies and By-laws**

**OBJET: 2019 Règlements et Étude Préliminaire sur les redevances  
d'aménagement**

## **REPORT RECOMMENDATIONS**

**That the Planning Committee recommend that Council approve:**

- 1. that the development charge calculations contained within the**

**Development Charges Background Study dated March 15, 2019 and the Area-Specific Background Study for Individual Stormwater Management Ponds and Drainage Systems dated March 15, 2019 be adjusted based on the Summary of Adjustments contained in Document 1;**

- 2. the Development Charges Background Study, dated March 15, 2019, and the Area-Specific Background Study for Individual Stormwater Management Ponds and Drainage Systems, dated March 15, 2019, and the by-law changes as set forth in Document 7;**
- 3. that rates be indexed on an annual basis, commencing on April 1, 2020 in accordance with the Statistics Canada - Infrastructure Construction Price Index and Document 7 providing for an initial two year indexing period;**
- 4. that Council determines that no further public meeting is necessary;**
- 5. that the proposed increase in development charge rates be subject to two types of transition provisions, general and complex, and purpose built high rise rental buildings based on filing a building permit application prior to June 28, 2019 and obtaining a building permit prior to the following schedules:**
  - From the time of By-law enforce date to September 6, 2019 for general building permit applications, the rates in the current by-law will be in effect, other than the area-specific stormwater and special area charges;**
  - On September 7, 2019 the full calculated rates will apply;**
  - From the time of By-law enforce date to March 31, 2020 for complex building permit applications, the rates in the current by-law will be in effect, other than the area-specific stormwater and special-area development charges;**
  - On April 1, 2020, the full calculated rates will apply;**
- 6. that the estimated cost of transition be recovered within the current development charges rates;**
- 7. the requirement for Council to continue to reimburse the development charge accounts for the loss of any funds through an exemption**

granted by Council;

8. that the front-ending policy be revised to provide that the timing of indexing of outstanding amounts shall take place in accordance with the policy set forth in Document 8.

## **RECOMMANDATIONS DU RAPPORT**

Que le Comité de l'urbanisme recommande au Conseil d'approuver :

1. que le calcul des redevances d'aménagement figurant dans l'étude préliminaire sur les redevances d'aménagement datée du 15 mars 2019 et l'étude préliminaire sur les redevances d'aménagement spécifiques à un secteur et régissant les étangs de retenue de l'eau pluviale et les systèmes de drainage datée du 15 mars 2019 soient modifiées en fonction du sommaire des redressements figurant dans le document 1;
2. l'étude préliminaire sur les redevances d'aménagement datée du 15 mars 2019 et l'étude préliminaire sur les redevances d'aménagement spécifiques à un secteur et régissant les étangs de retenue de l'eau pluviale et les systèmes de drainage datée du 15 mars 2019, ainsi que les changements apportés au règlement municipal comme le précise le document 7;
3. que les taux soient indexés sur une base annuelle, à compter du 1<sup>er</sup> avril 2020, conformément à l'indice des prix de construction des infrastructures de Statistiques Canada et au document 7, et ce, pendant une période d'indexation initiale de deux ans;
4. que le Conseil détermine que la tenue d'une autre réunion publique est inutile;
5. que l'augmentation proposée des taux de redevances d'aménagement soit soumise à deux types de dispositions de transition, générales et complexes, et des immeubles de grande hauteur construits à des fins locatives sur la base du dépôt d'une demande de permis de construire avant le 28 juin 2019 et l'obtention d'un permis de construire avant les dates suivantes :
  - à partir de la date d'entrée en vigueur du règlement municipal du 6 septembre 2019 pour les demandes de permis de construire généraux, les taux dans le règlement actuel seront en vigueur, à l'exception des redevances d'aménagement

**spécifiques à un secteur régissant la gestion des eaux pluviales et des redevances extraordinaires de secteur;**

- **le 7 septembre 2019, les taux calculés s'appliqueront en totalité;**
  - **à partir de la date d'entrée en vigueur du règlement et jusqu'au 31 mars 2020 pour les demandes de permis de construire complexes, les taux stipulés dans le règlement actuel seront en vigueur, à l'exception des redevances d'aménagement spécifiques à un secteur régissant la gestion des eaux pluviales et des redevances extraordinaires de secteur;**
  - **le 1<sup>er</sup> avril 2020, les taux calculés s'appliqueront en totalité;**
- 6. que le coût estimé de la transition soit récupéré à même les taux de redevances d'aménagement actuels;**
  - 7. que l'obligation pour le Conseil de continuer à rembourser les redevances d'aménagement tienne compte de toute perte de fonds en vertu d'une exemption accordée par le Conseil;**
  - 8. que les politiques relatives aux ententes préalables soient révisées afin que l'on puisse procéder à l'indexation des montants dus conformément à la politique énoncée dans le document 8.**

## **EXECUTIVE SUMMARY**

### Assumption and Analysis

The *Development Charges Act, 1997* (DCA) requires Ontario municipalities to update their Development Charges Background Study (DCBS) and By-law every five years. The City of Ottawa's current Development Charges By-law was passed on June 11, 2014 and will expire on June 11, 2019. There is no opportunity to extend the expiration date, therefore, if a replacement by-law is not passed, in advance of the expiry date, no development charges will be collected.

The current DCBS has been prepared in accordance with the DCA and associated regulations, including the amendments that came into force on January 1, 2016. Through this report, recommendations are being made to Planning Committee and Council for approval of the changes to 2019 DCBS and corresponding rates.

The calculation process is consistent with the capital projects and calculation methodologies included in the previous 2014 and 2017 studies. The City has not done a comprehensive update of the Official Plan (OP) and accompanying Transportation

Master Plan and Infrastructure Master Plan, and as such the capital costs and development forecasts remain consistent with these documents, which were used as the basis for the City's previous DCBS. In addition, the development forecast continues to be based on existing development targets to 2031, consistent with the 2014 and 2017 methodologies. It is anticipated that the City's next DCBS will be completed once the OP, master plans and affordable funding principles have been revised.

In accordance with the DCA and associated regulations, several key steps are required to calculate development charge rates. This process includes preparing a development forecast, establishing historical service levels, determining the increase needs for service arising from development and appropriate shares of costs, attribution to development types (residential and non-residential).

### Financial Implications

Development charges are intended to pay for the initial round of capital costs needed to service new development over an identified planning period. This is based on the principle that "growth pays for growth". It is recognized that the 2019 interim DCBS is a point-in-time analysis and is subject to changes in project timing, scope, and costs through the City's capital budgeting process, in conjunction with the affordable funding envelopes and annual receipt of development charges. This interim update has not altered the requirement to have non-growth-related funding sources that are sufficient to fund the City share of the growth-related infrastructure identified in the DCBS.

The Development Charges Background Study and the Area-Specific Background Study for Individual Stormwater Management Ponds and Drainage Systems establishes a City share for growth related capital of approximately \$1.45B for the 12-year period to 2031. A review of City funding sources has determined that they are sufficient to fund the City share of the growth-related infrastructure identified in the Development Charge Background Study provided that capital funding is indexed in keeping with the Statistics Canada - Capital Expenditure Price Statistics.

This report includes a recommendation that Council continue to budget annually a contingency to reimburse the development charge reserve funds for the loss of any funds collectable under an exemption granted by Council in any year. There may be a need for Council to increase this account in future budgets. For example, in 2018 the amount exempted at building permit issuance, under the existing list of exemptions, was over \$8 million compared to a budget of \$5.4M.

## Public Consultation/Input

The Development Charges Sponsors Group and Industry Working Group have met numerous times to make recommendations and to consider additional funding options. Information sessions were held with the other interested community representatives and councillor's staff.

Before passing a new DC By-law, Council is required to hold at least one public meeting to review the DCBS, Council report and proposed by-laws and provide members of the public with the opportunity to make representation. A notice to inform the public of this process was placed in newspapers on April 18, 2019, and the DCBS were made available on March 15, 2019. The public meeting will be held at the May 9, 2019 meeting of Planning Committee.

## RÉSUMÉ

*To follow / à suivre*

## BACKGROUND

The *Development Charges Act, 1997* requires municipalities to pass a new Development Charges (DC) By-law every five years. In order to pass a new DC By-law, a background study must be prepared pursuant to Section 10 of the DCA. This document must be made available to the public, as required by Section 12 of the *Act*, more than 60 days prior to the Council meeting. The DC By-law and DCBS will be before Council on May 22, 2019.

The charges calculated in the DCBS represent those costs, which can be recovered under the DCA, based on the City's capital spending plans and underlying assumptions. A decision is required by Council, after receiving input at the public meeting, as to the magnitude of the charge it wishes to establish, for residential and non-residential development. Property tax, user rates or other funding sources will be required to finance the non-growth component of the growth-related capital costs.

The various provisions in the DCBS represent a balanced approach in implementing the overall policy of having growth pay its share of infrastructure, while at the same time, distributing eligible capital costs between residential areas and non-residential development. The Institute of Municipal Finance and Governance at the University of Toronto recently published a paper on development charges. This report identifies a fundamental principle that requires repeating here: "Both municipalities and the development industry are stronger when growth-related capital costs are recovered by development charges set within well-structured municipal funding regimes."

In addition, the Municipal Finance Officers' Association recently released a consultation document in which they cited: "Development charges are not a root cause of the affordable housing and supply challenge...they represent approximately 5 to 7 per cent of the price of a new single-family home in the GTA and Ottawa."

Development charges remain an important financial tool that helps to ensure serviced lands are available for future development and redevelopment.

Issues that are contentious in preparing a DCBS relate to the geographic allocation of capital project costs, deductions for the benefit to existing development, post-period benefit allocations and predicting the timing of future capital works, to name a few. The primary purpose of the public meeting is to obtain additional input concerning these matters.

A Development Charges By-law Sponsors Group was established by Planning Committee in 2018. The mandate of the sponsor members was to guide the update of the DCBS by advising and assisting staff and by reviewing options to amend the development charges rates. The Sponsors Group was composed of the following members: Councillor Harder, Councillor Moffatt, Councillor Leiper, Councillor Hubley, and Councillor Blais.

An Industry Working Group was also established, consisting of representatives from the Greater Ottawa Home Builders Association (GOHBA) and the Building Owners and Managers Association (BOMA). Several meetings took place between staff, the Sponsors Group and the Industry Working Group to review the proposed growth-related funding program. The sessions resulted in revisions to various components of the residential and non-residential charges. The acceptance of the recommendations in this report represents the accumulation of discussions that would ensure that adequate infrastructure is available to meet the needs of planned growth, while at the same time provide stable funding for growth-driven infrastructure.

As mentioned earlier, revising DCBS are collaborative exercises. After the release of the initial set of draft development charge rates, on March 15, 2019, further adjustments and corrections were made to the proposed capital works program required over the twelve-year planning horizon ending in 2031 and to the background studies.. Several meetings took place between staff, the Sponsors Group and stakeholders to review the proposed interim growth-related plans. The various adjustments to the calculations contained in Document 1 and to Document 7 are an attempt to reflect these changes and to meet the requirements of establishing a set of residential and non-residential rates that will produce the appropriate amount of funding over the planning horizon. Staff have, therefore, developed a summary of the adjustments made to address concerns over the initial calculation of the

development charge rates. (Document 1 - Summary of Adjustments, Document 7 – By-law Changes).

## **DISCUSSION**

Through this report, development charges recommendations are being made to Planning Committee and Council for approval of the 2019 DCBS and By-law. The 2019 development charge rates will be used as the basis to recover the costs of anticipated new development.

The following are the services covered under the current DCBS:

- Roads and Related Services;
- Sanitary (Waste Water);
- Water;
- Stormwater Drainage;
- Protection (Police and Fire)
- Public Transit;
- Parks Development;
- Recreation Facilities;
- Libraries;
- Affordable Housing;
- Paramedic Services;
- Corporate Studies.

### **Development Charge Background Studies (DCBS)**

The DCA sets out the essential steps necessary to create successor DCBS. Most importantly, the DCA requires that a draft DCBS to be completed. Staff retained Hemson Consulting Ltd., to undertake the production of the revised documents and the resulting studies are important companion documents to this report. The City of Ottawa Development Charges Background Study (dated March 15, 2019) and the City of Ottawa Area-specific Development Charges Background Study for Individual Stormwater Management Ponds and Drainage Systems (dated March 15, 2019) were made available prior to the May 9, 2019 public meeting on a link on the City's website

and by request to the Planning, Infrastructure and Economic Development Department.

The DCBS provides an estimate on the amount, type and location of development; a calculation for each municipal service included in the development charge (i.e. growth/non-growth split, residential/non-residential split, capacity in existing systems), and other information that is required to help ensure that future development financing and infrastructure placement are aligned.

The DCBS for Individual Stormwater Management Ponds and Drainage Systems are reported on separately from the overall background study and address a wide range of development and area-specific stormwater servicing requirements and development potential with varying rates.

### **Establishing the Charge**

The DCA outlines the method that must be used to determine development charges. The “anticipated amount, type and location of development for which development charges can be imposed” must be estimated, along with the “increase in need for service attributable to the anticipated development...”.

The DCBS includes a growth forecast that provides the anticipated development for which the City will be required to provide services over a 10-year time horizon (2020-2029) and the longer planning horizon (2031) applicable to engineering services as detailed in the DCA. The forecast was completed by staff and predicts an increase in population and employment for the periods between mid-2019 to mid-2029, 2031 and build-out for stormwater.

For an increase in need for service to be included in the development charges calculation, City Council must indicate that it “intends to ensure that such an increase in need will be met”. This can be done if the increase in service forms part of a Council approved master plan, capital forecast or similar expression of the intention of Council. Council has approved the capital forecasts contained in the DCBS in many cases, and this approval will be reaffirmed where necessary.

### **Calculating the Charge**

In calculating the charge, it is necessary to:

- establish a development forecast for population and housing, and for employees based on floor area allocations;
- determine and cost the additional services such new development will require;
- and ensure that the program has Council approval;

- make the cost deductions required by the DCA with respect to historical average service levels;
- benefit to existing development, excess capacity, grants and contributions, the statutory 10 per cent, etc.; and
- calculate development charges by type of use and document this in a background study and by-law.

The DCA sets out the method that must be used to determine DC rates. This method calls for five different types of deductions to be made from municipal servicing costs, where applicable, which relate to the need for service attributable to new development anticipated over the planning period. These deductions are: beyond 10-year service level cap; benefit to existing shares; grants, subsidies and other recoveries; and 10% statutory deduction for general services.

Post-period benefit (PPB), committed reserve fund balances and the allocation of the total costs between residential and non-residential benefit are also addressed in the DCBS. While these deductions are explained fully in the DCBS, a brief explanation is provided in Document 2 - Deductions from Municipal Servicing Costs.

### **Development Charge Rates**

In summary, the gross capital cost of the entire program is \$7.53 billion. Of this amount, \$2.42 billion has been deemed to be development charge-recoverable (\$1.64 billion from residential development and \$778M from non-residential development). The difference between the gross and development charge-recoverable amounts is comprised of the following deductions:

- \$1.45 billion - Benefit to Existing Shares
- \$1.36 billion - Post-Period Benefit
- \$2.15 billion - Grants, Subsidies, Other Recoveries
- \$26 million - 10% Statutory Discount
- \$129 million - Reserve and Reserve Fund Adjustments

The DCA requires that the capital costs must be reduced or adjusted for capital grants, subsidies and other recoveries made to a municipality. For example, \$2.09B of the future grant contributions has been applied to various Public Transit projects that are identified in the DCBS to recognize that funding has been contributed from other levels of government.

The sole purpose of development charges is to fund the servicing costs of growth, thereby enabling growth to pay for growth and to proceed in a timely and efficient manner. It reflects the City's desire to establish a development charge schedule, which reasonably reflects servicing benefits received in the broad areas of the city.

The DCA establishes that (i) the total of all DCs that would be imposed on an anticipated development must not exceed the capital costs determined for all services involved; (ii) if a specific type of development is identified, it must pay the DCs that exceed the capital costs that arise from the increase in the need for service for that type of development; and (iii) if the rules provide for a type of development to have a lower rates than is allowed, any resulting shortfall may not be made up via other development.

To address these requirements, the City has adopted the following conventions:

1. Costs to residential uses have been assigned to different types of residential units based on the average occupancy for each housing type constructed during the initial years of occupancy; and
2. Costs are allocated to non-residential uses based upon several factors, as may be suited to each service-related circumstance.

An objective of this interim DCBS review was to provide growth-related funding for various service categories so that the City may continue to deliver the required services.

### **Residential Charge**

The residential charge is once again broken down into three area charges based on recognized geographic areas of the city: Inside the Greenbelt, Outside the Greenbelt, and Rural. The Rural category is further divided into serviced and unserviced development.

The proposed charge for a single detached unit is greater than the current development charge in the Inside the Greenbelt and Rural areas. The increases are generally attributable to the following:

- (i) The increase in Public Transit and Roads and Related Services recoverable costs, accounting for the increase in the city-wide charge allocated against all three geographic areas; and
- (ii) The increase in Parks Development and Indoor Recreation recoverable costs, also accounting for the increase in the Inside the Greenbelt charge.

The increase is highest for Inside the Greenbelt, largely because the cost has increased for the city-wide charges and the allocations for general service costs.

Residential Development Charges, as per Document 3 - Current and Proposed Residential Development Charges.

### **Current and Proposed Residential Development Charges**

Inside the Greenbelt – Single Dwelling Unit

May 16, 2019: \$25,113      2019\*: \$30,977    Difference: \$5,864    % Difference: 23%

Outside the Greenbelt – Single Dwelling Unit

May 16, 2019: \$35,047      2019\*: \$36,388    Difference: 1,341      % Difference: 4%

Rural (Serviced) – Single Dwelling Unit

May 16, 2019: \$22,292      2019\*: \$26,358    Difference: \$4,066    % Difference: 18%

(These numbers are updated from those that appear in the Development Charges Background Study released on March 15, 2019.)

*\*These numbers are the Revised Calculated Rate as found in Document 3*

In the 2019 DC Study the non-residential charge was once again calculated on a uniform, city-wide basis for all non-residential development throughout the city. There continue to be differentiated charges for Industrial and Non-Industrial Uses. The calculated rate for Industrial Use represents an increase of 9 per cent over the current charge. The calculated rate for Non-Industrial represents an increase of 17 per cent over the current fee.

Residential Development Charges, as per Document 3 - Current and Proposed Residential Development Charges.

### **Current and Proposed Non-Residential Development Charges**

Non-residential - Industrial - Gross Floor Area

May 16, 2019: \$ 9.39      2019\*: \$9.91      Difference: \$0.52    % Difference: 6%

Non-residential – Non-Industrial – Gross Floor Area

May 16, 2019: \$21.58      2019\*: \$24.88      Difference: \$3.30    % Difference: 15%

(These numbers are updated from those that appear in the Development Charges

Background Study released on March 15, 2019.)

*\*These numbers are the Revised Calculated Rate as found in Document 3*

### **Exemption Policy**

Staff have spent time considering the exemption policies in the existing DC By-law. It is acknowledged that non-statutory exemption represents development charges that will not be collected. To address this, it is recommended that Council continue to recover annually the foregone revenues from the account that has been set up to reimburse the development charge reserve funds for the foregone amounts. There may be a need for Council to increase this account in future budgets.

### **Indexing of the Charges**

It is important that the quantum of the development charges collected increases over time in accordance with the change in construction prices so that its purchasing power is preserved. It is, therefore, recommended that the indexing of the charge, based on past practice, will occur annually starting on April 1 of 2020, in accordance with an index contained within the Statistics Canada – Infrastructure Construction Price Index. This index is considered to better reflect development related costs incurred in Ottawa.

### **Transition Policy**

Staff have recommended a set of transition provisions, for the main by-law, excluding area-specific stormwater and special area charges, for implementing the new rates. Development for which a complete building permit application has been filed by June 28, 2019 and for which a building permit must be obtained before September 6, 2019, for general or non-complex buildings or March 31, 2020 for complex buildings, as well as for purpose built high-rise rental buildings located inside the greenbelt, shall be subject to the total rate in effect as of August 1, 2018. Complex and high-rise dwellings are defined as follows:

### **Complex Buildings**

“complex buildings” would receive a transition period ending March 31, 2020, all others would be subject to approximately three months. Complex Buildings as described in Table 3.5.2.1. of Division C - Part 3 of the Ontario Building Code. (Building systems, works, fixtures and service systems to which Subsection 3.2.6. of Division B or any provision in Articles 3.2.8.3. to 3.2.8.11. of Division B applies.)

## **Purpose Built High-rise Rental**

“purpose-built high-rise rental” means units designed and built expressly as long-term rental accommodation. This is different from other types of rentals, such as condominiums, which may be available in the rental pool for one year. High-rise rental apartment buildings with 100 units or more, located inside the greenbelt, would qualify under this provision.

In specific cases, if an application is submitted and deemed complete on or before June 28, 2019 the rates as of August 1, 2018 will continue to apply, with certain conditions and timeframes to be met. On September 7, 2019 or April 1, 2020, the new dc rates will be applicable (See Document 5 – Transition Policy).

## **Area-specific Stormwater Charges**

Stormwater Management (SWM) is once again being addressed separately from the City's overall DCBS, given its unique features, i.e. a wide range of development and area-specific SWM requirements and solutions with varying capital costs. Also, some developments outside of these areas provide fully for their own SWM needs, pursuant to individual development agreements or use existing previously funded capacity and are not subject to these area-specific by-laws. In addition to these two sets of circumstances, there are stormwater drainage works that are city-wide and provide broad benefits to development and are included separately in the City-wide DCBS and by-law.

An area-specific stormwater charge has been calculated for each of the ten areas, based on the recoverable capital cost estimates and development forecasts. Approximately \$196.9 million in DC eligible costs are involved, split approximately 61%/39% between residential and non-residential benefit. (See Document 6 – Summary of Stormwater Management Development Charge Rates by Area.)

## **Financial Analysis**

The interim DCBS is intended to ensure sufficient development charges are recovered to offset the costs of growth and to minimize the financial burden on existing residents. The City also reimburses the various growth-related reserve funds annually for the loss of revenue because of non-statutory (discretionary) exemptions granted in any given year by Council. For example, in 2018, the amount exempted at building permit issuance, under the existing list of exemptions, was over \$8 million.

## **Front-Ending Policy – Indexing and Submission of Invoices**

The general City policy on front-ending does not contain a policy with respect to the submission of invoices for work completed by the front-ending developer(s). This had lead in some instances to invoices being submitted a significant amount of time after the work was completed. In such instances, the staff with the developer and/or the City involved at the time the project was approved for front-ending may have moved on to other roles and this can lead to additional time being required should questions arise or further documentation be required as to details of the expenditures.

When a report on the front-ending of Leitrim Ponds 1 and 2 came before Council in February, 2018, a modification was made to the front-ending provisions for those projects being:

- (a) In respect of work done prior to the date of preliminary acceptance, such work shall be subject to indexing from that date only if the invoice(s) for such work are received within one year of preliminary acceptance;
- (b) In respect of work done after preliminary acceptance, such work shall be subjecting to indexing from the time of the performance of the works only if the invoice(s) for such are received within one year of such work being performed; and
- (c) Where an invoice is not received within the time frames in (a) or (b) above, indexing shall only apply from the date of the receipt of the invoice.

By tying the entitlement to indexing to the provisions of invoices, it is anticipated that there will be a more timely provision of invoices to the City. It is recommended that this provision be applied to front-ending generally.

## **Conclusion**

The development charge rates calculated represent those which can be recovered under the DCA, based on the City's capital spending plans and other assumptions, which is in line with the requirements of the legislation.

## **RURAL IMPLICATIONS**

Rural residential area charges have been calculated based on the cost of growth basis.

## **CONSULTATION**

The Sponsors Group and Industry Working Group have met numerous times to review methodology, the capital project costs, the proposed charges and to obtain

feedback. Before passing a DC By-law, Council is required to hold at least one public meeting to review the DCBS, Council report and proposed by-law. A notice to inform the public of this process was placed in newspapers on April 18, 2019, and the Background Studies were made available on March 15, 2019.

The public meeting will be held at the May 9, 2019 meeting of Planning Committee.

### **COMMENTS BY THE WARD COUNCILLORS**

This is a city-wide report – not applicable.

### **LEGAL IMPLICATIONS**

The appeal provisions are as set forth in the disposition. The current development charge by-laws expire on June 11, 2019. Therefore, the new DCBS must be adopted and the by-laws must be enacted before that date.

### **RISK MANAGEMENT IMPLICATIONS**

There is a forty-day appeal period during which the DC By-law is appealable to the Ontario Municipal Board. By working with stakeholders, staff have taken reasonable steps to avoid an appeal.

### **ASSET MANAGEMENT IMPLICATIONS**

There are no direct asset management implications associated with the recommendations of this report.

### **FINANCIAL IMPLICATIONS**

Financial implications are identified within the report.

### **ACCESSIBILITY IMPACTS**

All the services funded through the DC By-law will be built to incorporate the Provincially-approved Accessibility Standards.

### **TERM OF COUNCIL PRIORITIES**

**This report supports the following Term of Council priorities:**

TM2 – Provide and promote infrastructure to support safe mobility choices

EP2- Supports growth of local economy

## **SUPPORTING DOCUMENTATION**

Document 1 Summary of Adjustments to the City-wide DC Background Study dated March 15, 2019 and the Area-Specific DC Background Study for Individual Stormwater Management Ponds and Drainage Systems dated March 15, 2019

Document 2 Deductions from Municipal Servicing Costs

Document 3 Current and Proposed Residential Development Charges

Document 4 Current and Proposed Non-Residential Development Charges

Document 5 Transition Policy/Provisions/Arrangements/Definitions/Charges

Document 6 Summary of Stormwater Management Development Charge Rates by Area

Document 7 By-law Changes

Document 8 – Revision to Front-Ending Policy

## **DISPOSITION**

Planning, Infrastructure and Economic Development Department will make any changes to the City of Ottawa Development Charges Background Study and the Area-Specific Development Charges Background Study as a result of the direction of Planning Committee and Council.

Legal Services will prepare the required by-laws and submit them to Council.

Within 20 clear days of the passage of the by-law, the Planning, Infrastructure and Economic Development Department to ensure that there is a notice of the passage of the By-laws and appeal deadline placed in the Citizen and Le Droit.

Within 20 days, the City Clerk's Office to notify everyone, who has provided a written request for notice and a return address and the secretary of every school board within the City of Ottawa, of the passage of the by-laws and appeal deadline.

The public has 40 days after the adoption of the by-law to file an appeal with the City Clerk. If appeals are made, the City Clerk's Office to compile a formal record of appeals including: a certified copy of the by-law; a copy of the two development charge background studies; certification that the notice of passage and last day of appeal was given in accordance with the DCA; and an original or true copy of all written submissions and materials received in respect of the by-law before it was passed. The

City Clerk's Office to forward a notice of appeal and record to the Ontario Municipal Board secretary within 30 days of the last day of the appeal period and provide such information and material as the Board may require.

Planning, Infrastructure and Economic Development Department to prepare a pamphlet for each development charge by-law that has been adopted and is in force within 60 days after the by-law comes into force if the by-laws are not appealed to the Ontario Municipal Board. If the by-laws are appealed, the pamphlets are to be prepared within 60 days of the Board's decision or amendment order. The pamphlets are to be made available to the public upon request.

**Document 1 – Summary of Adjustments to Development Charges Background Study dated March 15, 2019 and the Area-Specific Background Study for Individual Stormwater Management Ponds and Drainage Systems dated March 15, 2019**

2019 City-Wide DC Background Study

Document 1

No.	Assumption / Service	Description of Adjustment
1	Development Forecast	Minor adjustments made to 2014 historical employment estimates better align with past methodologies and practices (e.g. 2014 DC Background Study)
2	Development Forecast	Adjusted Single and Semi-Detached person per unit (PPU) assumption for the Rural area
3	Public Transit	Adjusted gross capital costs to reflect revised estimates for the Stage 2 LRT. Note, this change does not affect the DC eligible costs included in the rate calculation.
4	Corporate Studies	New City-wide Project - Official Plan Update - Gross Project Cost listed at \$1.7M
5	Parks Development	Urban Parks Project List - 2.1 - Total Gross Project Costs adjusted to \$29.6M from \$49.9M
6	Parks Development	District Parks Project List - 2.2 - Total Gross Project Costs to adjusted \$42.1M from \$54.1M
7	Roads and Related Services	Intersection Control Measures (ICM) Program has been changed to a defined list of capital projects including an undefined allocation within the City-wide, OSG and Rural benefitting areas. Central area ICM projects totalling \$7.8M will be recovered City-wide.
8	Roads and Related Services	Item No. 1.01894 - Stittsville North/South Arterial (Fernbank Road to Abbott Street) - Gross Project Cost adjusted to \$0 from \$13.3M
9	Roads and Related Services	Item No. 1.CWA02 - City-wide DC Transition Costs - Gross Project Cost adjusted to \$13.8M from \$10M
10	Roads and Related Services	Item No. 8.03440 - Vehicle & Equipment - Gross Project Cost adjusted to \$21.9M from \$16.9M
11	Libraries	Item No. 7.CW05 - Materials and Collections - Gross Project Cost adjusted to \$0 from \$2.3M
12	Libraries	Item No. 7.AS02 - East Urban Community Library - Gross Project Cost adjusted to \$4.9M from \$2.7M
13	Sanitary Sewers	Item No. 10.04940 - Fernbank Collector Sewer - Gross Project Cost adjusted to \$7.2M from \$5.2M
14	Protection (Police & Fire)	Item No. 4CW01 - Fire Training Replacement Facility - Increase anticipated Grant funding to \$63M (75%) and reduce BTE Share by \$63M (0%)
15	Development Forecast - Village of Manotick	Adjusted industrial and non-industrial allocations to better align with past methodologies and practices (e.g. 2014 DC Background Study)
16	Sanitary Sewer - Village of Manotick	Item No. 10.1AM4 - Manotick Pump Station & Forcemain - Gross Project Cost adjusted to \$0M from \$14.5M
17	Sanitary Sewer - Village of Manotick	Item No. 10.20M4 - Gravity Sanitary Sewer - Gross Project Cost adjusted to \$0M from \$2.6M

2019 Area-Specific Stormwater Management DC Background Study

No.	Benefitting Area	Description of Adjustment
1	Shirley's Brook (Area W-2)	Item No. W2-5 - Reinstatement and Relocation - End of March Valley Road - Gross Project Cost adjusted to \$0 from \$903,000
2	Monahan W-1 (Area W-1)	Development forecast from 2019 to 2031 buildout was updated to reflect revised information.
3	Monahan W-1 (Area W-1)	Monahan Drain Area A & Area B have been recombined into one benefitting area and set of rates.
4	N-5 and Channelization E-6 (Area E-6)	Development forecast from 2019 to buildout was updated to remove double count between existing development.
5	Riverside South Urban Centre (Area S-1)	Item No. S1-8 - Stormwater Pond 5 - Gross Project Cost adjusted to \$7.1M from \$4.9M
6	Riverside South Urban Centre (Area S-1)	Item No. S1-9 - Pond 5 Storm Sewers - Gross Project Cost adjusted to \$7.3M from \$0M
7	Riverside South Urban Centre (Area S-1)	Item No. S1-15 - Stormwater Pond 2A - Gross Project Cost adjusted to \$5.0M from \$0M
8	Riverside South Urban Centre (Area S-1)	Item No. S1-16 - Pond 2A Storm Sewers - Gross Project Cost adjusted to \$500,000 from \$0M

## **Document 2 – Deductions from Municipal Servicing Costs**

Level of service cap: the DCA states that the estimate of the increase in the need for service attributable to the anticipated development must not include an increase that would result in the level of service exceeding the average level provided in the City over the 10-year period preceding the preparation of the background study, unless the level of service provided is below the level of service required under another *Act*.

Uncommitted excess capacity: the DCA requires a reduction from the increase in the need for service attributable to the anticipated development that can be met using the City's "excess capacity", other than excess capacity which is "committed" through a previous act of Council.

Benefit to existing development: BTE refers to a portion of the cost of growth projects that can be attributed to benefit the existing population, and therefore deducted from the basis of the charge. BTE is calculated on a service-specific and project-specific basis in the DCBS.

Grants, subsidies and other contributions: All grants, subsidies or other contribution (including developer contributions) must be used to reduce the capital costs at the same rate that the increase in need was reduced, unless at the time it was made the person expressed a clear intention that all or part of it be used to benefit either existing or new development.

Post-period benefit: PPB is not specifically referenced in the DCA but refers to the cost of oversized development-related servicing capacity which is not required by development anticipated over the planning period, which will clearly benefit development in a subsequent planning period and should therefore be funded by such subsequent development.

DC Reserve Fund Balances: While there is no explicit requirement in the DCA to account for the outstanding reserve fund balance as part of making the DC calculation, for services which are subject to a per capita-based service level "cap", the reserve fund balance is applied against the development-related costs for which the charge was imposed, once the project is constructed. This component is distinct from the development-related costs for the next 10-year period, which underlie the development charges calculation in the DCBS.

## Document 3 – Current and Proposed Residential Development Charges

### Summary of Current Verses Calculated DCs Residential DCs per Unit

Benefiting Area	Current Rate Effective May 16, 2019	Revised Calculated Rate	Difference (\$)	Difference (%)
<b>Inside the Greenbelt</b>				
Singles & Semis	\$25,113	\$30,977	\$5,864	23%
Multiple, Row and Mobile Dwelling	\$19,399	\$24,748	\$5,349	28%
Apartment Dwelling, Back to Back and Stacked				
Townhouse (2+ bedrooms)	\$14,385	\$17,083	\$2,698	19%
Apartment (less than 2 bedrooms)	\$10,591	\$12,144	\$1,553	15%
Rooming Unit	\$0	\$9,382	N/A	N/A
<b>Outside the Greenbelt</b>				
Singles & Semis	\$35,047	\$36,388	\$1,341	4%
Multiple, Row and Mobile Dwelling	\$26,381	\$28,538	\$2,157	8%
Apartment Dwelling, Back to Back and Stacked				
Townhouse (2+ bedrooms)	\$18,707	\$19,557	\$850	5%
Apartment (less than 2 bedrooms)	\$13,791	\$13,900	\$109	1%
Rooming Unit	\$0	\$10,740	N/A	N/A
<b>Outside the Greenbelt (Inside the Millennium Park Area)</b>				
Singles & Semis	\$35,666	\$37,229	\$1,563	4%
Multiple, Row and Mobile Dwelling	\$26,847	\$29,188	\$2,341	9%
Apartment Dwelling, Back to Back and Stacked				
Townhouse (2+ bedrooms)	\$19,034	\$20,000	\$966	5%
Apartment (less than 2 bedrooms)	\$14,033	\$14,215	\$182	1%
Rooming Unit	\$0	\$10,984	N/A	N/A
<b>Rural (Served)</b>				
Singles & Semis	\$22,292	\$26,358	\$4,066	18%
Multiple, Row and Mobile Dwelling	\$15,455	\$20,681	\$5,226	34%
Apartment Dwelling, Back to Back and Stacked				
Townhouse (2+ bedrooms)	\$12,530	\$14,342	\$1,812	14%
Apartment (less than 2 bedrooms)	\$9,236	\$10,193	\$957	10%
Rooming Unit	\$0	\$7,876	N/A	N/A
<b>Rural (Unserved)</b>				
Singles & Semis	\$19,602	\$23,989	\$4,387	22%
Multiple, Row and Mobile Dwelling	\$13,709	\$18,811	\$5,102	37%
Apartment Dwelling, Back to Back and Stacked				
Townhouse (2+ bedrooms)	\$10,984	\$13,058	\$2,074	19%
Apartment (less than 2 bedrooms)	\$8,101	\$9,280	\$1,179	15%
Rooming Unit	\$0	\$7,170	N/A	N/A
<b>Richmond (Rural Served + Area-Specific)</b>				
Singles & Semis	\$31,109	\$36,572	\$5,463	18%
Multiple, Row and Mobile Dwelling	\$21,183	\$27,914	\$6,731	32%
Apartment Dwelling, Back to Back and Stacked				
Townhouse (2+ bedrooms)	\$17,590	\$20,204	\$2,614	15%
Apartment (less than 2 bedrooms)	\$12,963	\$14,360	\$1,397	11%
Rooming Unit	\$0	\$11,095	N/A	N/A
<b>Manotick (Rural Served + Area-Specific)</b>				
Singles & Semis	\$33,671	\$37,479	\$3,808	11%
Multiple, Row and Mobile Dwelling	\$22,847	\$28,556	\$5,709	25%
Apartment Dwelling, Back to Back and Stacked				
Townhouse (2+ bedrooms)	\$19,061	\$20,725	\$1,664	9%
Apartment (less than 2 bedrooms)	\$14,047	\$14,730	\$683	5%
Rooming Unit	\$0	\$11,381	N/A	N/A
<b>Flag Station Road (Rural Unserved + Area-Specific)</b>				
Singles & Semis	\$25,012	\$27,868	\$2,856	11%
Multiple, Row and Mobile Dwelling	\$17,791	\$21,811	\$4,020	23%
Apartment Dwelling, Back to Back and Stacked				
Townhouse (2+ bedrooms)	\$13,932	\$15,103	\$1,171	8%
Apartment (less than 2 bedrooms)	\$10,271	\$10,734	\$463	5%
Rooming Unit	\$0	\$8,293	N/A	N/A
<b>Provence Avenue (Outside the Greenbelt (Inside Millennium Park Area) + Area Specific)</b>				
Singles & Semis	\$38,594	\$39,236	\$642	2%
Multiple, Row and Mobile Dwelling	\$29,057	\$30,740	\$1,683	6%
Apartment Dwelling, Back to Back and Stacked				
Townhouse (2+ bedrooms)	\$20,629	\$21,058	\$429	2%
Apartment (less than 2 bedrooms)	\$15,207	\$14,967	-\$240	-2%
Rooming Unit	\$0	\$11,565	N/A	N/A
<b>Transit Riverside South (Outside Greenbelt + Area Specific)</b>				
Singles & Semis	N/A	\$39,454	N/A	N/A
Multiple, Row and Mobile Dwelling	N/A	\$30,909	N/A	N/A
Apartment Dwelling, Back to Back and Stacked				
Townhouse (2+ bedrooms)	N/A	\$21,174	N/A	N/A
Apartment (less than 2 bedrooms)	N/A	\$15,049	N/A	N/A
Rooming Unit	\$0	\$11,628	N/A	N/A

## Document 4 – Current and Proposed Non-Residential Development Charges

### Summary of Current Verses Calculated DCs Non-Residential DCs per Square Foot

Benefiting Area	Current Rate Effective May 16, 2019	Revised Calculated Rate	Difference (\$)	Difference (%)
<b>Inside the Greenbelt</b>				
Industrial	\$9.39	\$10.28	\$0.89	9%
Non-Industrial	\$22.12	\$25.79	\$3.67	17%
<b>Outside the Greenbelt</b>				
Industrial	\$9.39	\$10.28	\$0.89	9%
Non-Industrial	\$22.12	\$25.79	\$3.67	17%
<b>Outside the Greenbelt (Inside Millennium Park Area)<sup>1</sup></b>				
Industrial	\$9.39	\$10.28	\$0.89	9%
Non-Industrial	\$22.12	\$25.79	\$3.67	17%
<b>Rural (Serviced)</b>				
Industrial	\$9.39	\$10.28	\$0.89	9%
Non-Industrial	\$22.12	\$25.79	\$3.67	17%
<b>Rural (Unserviced)</b>				
Industrial	\$8.34	\$9.29	\$0.95	11%
Non-Industrial	\$19.39	\$23.35	\$3.96	20%
<b>Richmond (Rural Serviced + Area-Specific)</b>				
Industrial	\$10.81	\$13.52	\$2.71	25%
Non-Industrial	\$25.76	\$34.03	\$8.27	32%
<b>Manotick (Rural Serviced + Area-Specific)</b>				
Industrial	\$15.55	\$16.48	\$0.93	6%
Non-Industrial	\$37.76	\$41.04	\$3.28	9%
<b>Flag Station Road (Rural Unserviced + Area-Specific)<sup>2</sup></b>				
Industrial	\$9.39	\$10.28	\$0.89	9%
Non-Industrial	\$22.12	\$25.79	\$3.67	17%
<b>Provence Avenue (Outside the Greenbelt (Inside Millennium Park Area) + Area Specific)<sup>3</sup></b>				
Industrial	\$9.39	\$10.28	\$0.89	9%
Non-Industrial	\$22.12	\$25.79	\$3.67	17%
<b>Transit Riverside South (Outside Greenbelt + Area Specific)</b>				
Industrial	N/A	\$11.18	N/A	N/A
Non-Industrial	N/A	\$28.05	N/A	N/A

(1) There is no area-specific non-residential charge in the Millennium Park area

(2) There is no area-specific non-residential charge in the Flag Station area

(2) There is no area-specific non-residential charge in the Provenance Avenue area

## Document 5 - Transition Policy/Provisions/Arrangements/Definitions/Charges

### Transition Policy:

In general, residential and non-residential development charges are payable at building permit issuance and are based on the various rates in effect on the day the by-law is approved, however, Council may adopt transition policies to allow for developments nearing the building permit issuance stage to pay the existing rates. In this case, the City's proposed transition policy would allow for the application of the development charge rates that will be in place as of May 16, 2019 (originally set forth in Schedules B and C of By-law 2014-229 and excluding the six special area charges and ten area-specific stormwater charges listed below®).

This policy would be based on the submission of a complete building permit application<sup>1</sup> that would be required to be accepted by staff as of June 28, 2019 and provided that the subsequent permit be issued by Friday, September 6, 2019. For eligible complex buildings<sup>2</sup> an additional timeframe will be added, if required by staff, to the application review process. In addition, purpose built high-rise rental<sup>3</sup> buildings located inside the greenbelt would automatically receive the additional transition period.

Under the general transition timeframe, all the following criteria would have to be met and followed:

- The residential or non-residential building permit applications must be a complete and submitted by Friday, June 28, 2019 (as per the requirements outlined in the Building Code Services Building By-law 2014-220);
- The building permit must be issued by **Friday, September 6, 2019** (107 days);

Under the complex transition timeframe, all the following criteria would have to be met and followed:

- The residential or non-residential building permit applications must be a complete and submitted by Friday, June 28, 2019 (as per the requirements outlined in the Building Code Services Building By-law 2014-220);
- The building permit must be issued by **Tuesday, March 31, 2020** (314 days);

### Transition Provisions

Residential and non-residential development for which a complete building permit application has been filed with Building Code Services by Friday, June 28, 2019 and for which a building permit was obtained on or before September 6, 2019 or March 31,

2020 shall be subject to the development charge rates in effect as of May 16, 2019 (originally set forth in Schedules B and C of By-law 2014-229 and excluding the six special area charges and ten area-specific stormwater charges listed below®) versus those rates enacted on May 23, 2019.

### **Transitional Arrangements**

The transition to the revised residential and non-residential development charge rates will include the requirement to provide a greater allocation of capital project funding to the Public Transit service category. The proposed development charge increase would be set for this service at 100% cost recovery (at their full-calculated amount in effect on May 23) when the proposed DC by-law is implemented.

The City estimates the cost of transition at **\$13.8 million** (the loss of both residential and non-residential revenues that would otherwise have been collected to fund Roads and Related Services growth-related capital projects) under the provisions as adopted under the DC by-law, which would be recovered over the term of the next DC by-law. Staff will track the transition costs, and if the loss of revenue is less than the \$13.8 million estimate, the City will apply this amount in the next by-law update.

### **Definitions**

#### **1 Complete Building Permit Application**

“complete building permit application” means a building permit application meeting the submission requirements outlined in the Building By-law 2014-220 received by June 28 that would be eligible for transition provided there is a registered Site Plan or Subdivision Agreement.

#### **2 Complex Buildings**

“complex buildings” would receive a transition period ending March 31, 2020, all others would be subject to approximately three months. Complex Buildings as described in Table 3.5.2.1. of Division C - Part 3 of the Ontario Building Code. (Building systems, works, fixtures and service systems to which Subsection 3.2.6. of Division B or any provision in Articles 3.2.8.3. to 3.2.8.11. of Division B applies.)

#### **3 Purpose Built High-rise Rental**

“purpose-built high-rise rental” means units designed and built expressly as long-term rental accommodation. This is different from other types of rentals, such as condominiums, which may be available in the rental pool for one year. High-rise rental

apartment buildings with 100 units or more, located inside the greenbelt, would qualify under this provision.

**® Six Special Area Charges and Ten Area-specific Stormwater Charges**

- 1) Millennium Park (District Park)
- 2) Village of Manotick (Sanitary Sewer & Water)
- 3) Village of Richmond (Sanitary Sewer)
- 4) Provence Avenue (Roads & Sanitary Sewer)
- 5) Flag Station Road (Roads)
- 6) Trillium Line Extension (Public Transit)
- 7) *Riverside South Urban Centre (Area S-1)*
- 8) *Leitrim South Urban Area (Area S-2)*
- 9) *Nepean South Urban Area (Area S-3)*
- 10) *Nepean Ponds in Parks (Area S-4)*
- 11) *Inner Greenbelt Ponds (Area C-1)*
- 12) *Monahan Drain (Area W-1)*
- 13) *Shirley's Brook (Area W-2)*
- 14) *Cardinal Creek Erosion Works (Area E-2)*
- 15) *Gloucester Urban Centre (Area E-3)*
- 16) *N5 and Channelization (Area E-6)*

## Document 6 - Summary of Stormwater Management Development Charge Rates by Area

### Summary of Residential and Non-Residential ASDC SWM Rates

	S-1	S-2	S-3	S-4	C-1	W-1	W-2	E-2	E-3	E-6
<b>Residential \$/Unit</b>										
<b>Single and Semi-Detached</b>										
Current	\$5,653	\$9,169	\$4,989	\$830	\$1,202	\$6,456	\$4,522	\$1,917	\$4,741	\$7,012
Calculated	\$5,515	\$7,612	\$1,930	\$785	\$38	\$4,124	\$2,734	\$1,806	\$4,928	\$5,037
Difference \$	(\$138)	(\$1,557)	(\$3,059)	(\$45)	(\$1,164)	(\$2,332)	(\$1,788)	(\$111)	\$187	(\$1,975)
Difference %	-2%	-17%	-61%	-5%	-97%	-36%	-40%	-6%	4%	-28%
<b>Townhouse/Row</b>										
Current	\$4,021	\$6,102	\$3,190	\$630	\$791	\$4,837	\$4,117	\$1,206	\$3,291	\$4,577
Calculated	\$4,395	\$5,068	\$1,234	\$596	\$25	\$2,678	\$2,550	\$1,135	\$3,456	\$3,222
Difference \$	\$374	(\$1,034)	(\$1,956)	(\$34)	(\$766)	(\$2,159)	(\$1,567)	(\$71)	\$165	(\$1,355)
Difference %	9%	-17%	-61%	-5%	-97%	-45%	-38%	-6%	5%	-30%
<b>Stacked Row and Apartments</b>										
Current	\$836	\$2,600	\$1,288	\$252	\$320	\$3,828	\$2,309	\$499	\$1,315	\$1,833
Calculated	\$2,177	\$2,650	\$495	\$238	\$10	\$1,377	\$1,636	\$465	\$1,383	\$1,644
Difference \$	\$1,341	\$50	(\$793)	(\$14)	(\$310)	(\$2,451)	(\$673)	(\$34)	\$68	(\$189)
Difference %	160%	2%	-62%	-5%	-97%	-64%	-29%	-7%	5%	-10%
<b>Non-Residential \$/Square Foot</b>										
<b>Non-Residential</b>										
Current	\$3.93	\$6.99	\$8.15	\$0.70	\$1.38	\$5.52	\$3.41	\$4.02	\$3.72	\$7.74
Calculated	\$5.73	\$5.37	\$3.09	\$0.72	\$6.67	\$2.61	\$2.75	\$3.43	\$6.88	\$7.70
Difference \$	\$1.80	(\$1.62)	(\$5.06)	\$0.02	\$5.29	(\$2.91)	(\$0.66)	(\$0.59)	\$3.16	(\$0.04)
Difference %	46%	-23%	-62%	3%	383%	-53%	-19%	-15%	85%	0%

Note: Current rates for area W-1 are based on a combined rate for sub Area A and Area B

## Document 7 – By-law Changes

Subject of Modification	Section of By-law	Nature of Modification
Industrial Use	1	Marijuana Production Facility specified to be an industrial use to clarify not an agricultural use
Rooming Units  (proposed to be identified as Dwelling Rooms)	1, 4, 6	Rooming Units added (and renamed) as a specified residential use (Dwelling Room) to permit introduction of specific development charge rate based upon 1 person per unit.  Dwelling Rooms greater than 140 square feet will be charged the rate for Apartments (One room or bachelor)
Place of Worship	7	Exemption (from other than public transit charge) is limited to 5,000 square feet or that area used for worship, whichever is greater to limit extent of exemption (Based upon Region of York development charge by-law)
Farm help and retirements lots	7	Deleted from Section 7 as no longer permitted under Provincial Policy
Buildings on agricultural society lands	7	Added to list of development exempt from development charges

Industrial Buildings	7	Exemption limited to first expansion of an industrial building after May 22, 2019
Redevelopment	9	Limitation of exemption from building in receipt of same services deleted as such information is not readily available
Redevelopment of non-residential	9(3)	Elimination of entitlement of credit from redevelopment from non-industrial to residential land removed as concern addressed through modification to Subsection (7).
Redevelopment of non-residential building	9(7)	<p>Provision amended to exclude from development charge credit redevelopment of non-residential building where original building exempt from development charges.</p> <p>Exemption continues to apply to farm building existing on May 22, 2019 where building continues and can be converted back to farm-related use.</p>
Transitional Provisions	12	The transitional provisions have been amended in accordance with the report (eligibility generally for qualifying building permits issued by September 6, 2019 and eligibility for qualifying complex building permits and purpose built high-rise building permits issued by March 31, 2020)
Indexing	18	With the by-laws being enacted in May

		<p>and the transition period extending to September, 2019 and December, 2019, the by-law has been written to have no indexing in 2019 but for there to be a two year indexing on April 1, 2020. The by-law rates will then be indexed on an annual basis thereafter.</p>
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**DOCUMENT 8 – REVISION TO FRONT-ENDING POLICY**

(a) In respect of work done prior to the date of preliminary acceptance, such work shall be subject to indexing from that date only if the invoice(s) for such work are received within one year of preliminary acceptance;

(b) In respect of work done after preliminary acceptance, such work shall be subjecting to indexing from the time of the performance of the works only if the invoice(s) for such are received within one year of such work being performed; and

(c) Where an invoice is not received within the time frames in (a) or (b) above, indexing shall only apply from the date of the receipt of the invoice.