



STAFF REPORT
Finance

Title: Development Charge By-law Update - Formal Public Meeting
Report Number: CORP2019-081
Author: Michael Pugliese
Meeting Type: Finance & Strategic Planning Committee Meeting
Council/Committee Date: November 18, 2019
File: n/a
Attachments: Appendix A: Updated Development Charge By-law - DRAFT
Ward No.: All – city wide

Recommendations:

1. That CORP2019-081 be approved.
2. That the Development Charges Background Study dated October 17, 2019, as amended (if applicable), be approved.
3. That one of the following options for a development charge rate structure for apartments, which differentiates between bedrooms/unit, be adopted as outlined in tables 5a through 5e of this report:
 - a. Current – Three Rates (1 bed & 2-3 beds & 4+ beds)
 - b. Single Rate
 - c. Two Rates (1 bed & 2+ beds)
 - d. Two Rates (1-2 beds & 3+ beds)
 - e. Two Rates (1-3 beds & 4+ beds)

A. Executive Summary

A Development Charges (DC) Background Study has been prepared to support the adoption of a new Development Charge by-law. The Background Study incorporates growth forecasts for residential and non-residential development and the infrastructure anticipated to service this growth. An industry working group was established and had the opportunity to meet with City Staff on several occasions since September of 2019 to discuss development forecasts, servicing needs, growth related capital program, etc. as part of developing the new Background Study and draft by-law. Proposed DC rates are decreasing slightly over current rates.

At the October 21, 2019 DC update meeting (report CORP2019-070), Council moved:

1. That staff be directed to develop a development charge rate structure for apartments which differentiates between units with three or fewer bedrooms and those with four or five bedrooms.
2. That staff be directed to include this rate structure in the report which will be considered by Council at the public meeting for the development charges by-law scheduled for November 18, 2019.

Staff have worked with the City's DC consulting team, Hemson Consulting Ltd., to prepare various apartment rate scenarios for Council's consideration as outlined in the Development Charge Calculation section of this report.

B. Financial Implications

Proposed Development Charge rates resulting from the October 17, 2019 Background Study are decreasing slightly over current rates. A summary of proposed DC's is provided below in Table 1 and compared to current rates for reference.

Note, small model refinements were made after the October 17 DC Background Study and draft by-law release that has reduced the non-residential rate slightly from the original value of \$72.01 to \$71.58 as shown in Table 1.

Table 1: Current & Proposed Development Charge Rates (2019)

| | Residential Charge By Unit Type | | | | | Lodging House Per Bedroom | Non-Residential Charge per Square Meter |
|---------------------------------------|---------------------------------|----------------------|-----------------|-----------------|-----------------|------------------------------|---|
| | Singles & Semis | Apartments | | | Multiples | | |
| | | 1 Bedroom or Less | 2-3 Bedrooms | 4-5 Bedrooms | | | |
| CURRENT TOTAL CHARGE PER UNIT | \$15,881 | \$6,108 | \$10,407 | \$21,990 | \$11,482 | \$4,885 | \$76.49 |
| PROPOSED TOTAL CHARGE PER UNIT | \$15,777 | \$5,646 | \$10,031 | \$19,453 | \$10,377 | \$4,517 | \$71.58 |
| <i>% change from current rate</i> | -0.7% | -7.6% | -3.6% | -11.5% | -9.6% | -7.5% | -6.4% |
| <i>\$ change from current rate</i> | (\$104) | (\$462) | (\$376) | (\$2,537) | (\$1,105) | (\$368) | (\$4.91) |

C. Technology Implications

None.

D. Link to Strategic Plan

(Strategic Objectives: Equity, Inclusion and a Sense of Belonging; Sustainability and the Environment; Safe, Sustainable Transportation; Healthy Community & Resilient Neighbourhoods; Infrastructure Renewal; Economic Growth & Development)

(Guiding Principles: Equity and Inclusion; Sustainability; Fiscal Responsibility; Healthy and Safe Workplace; Effective Engagement; Personal Leadership; Service Excellence)

Based on Growth Related Capital program Strategic Plan Links – identified on various individual capital project sheets.

E. Previous Reports on this Topic

CORP2019-070 - Development Charge Background Study & Update (Oct. 21, 2019)

F. Approvals

| Name | Signature | Date |
|------------------------------------|------------------|-------------|
| Author: Michael Pugliese | | |
| Director: Filipa Reynolds | | |
| Commissioner: Keshwer Patel | | |
| Finance: Keshwer Patel | | |

CAO



Development Charge By-law Update - Formal Public Meeting
CORP2019-081

Background:

Development charges (DC's) provide for the recovery of growth-related capital expenditures from new development. The DC Act is the statutory basis to recover these charges. Under the DC Act, municipalities are required to prepare a Background Study prior to the setting of new DC rates and approval of a new DC by-law. Much of the Background Study involves developing new growth forecasts and updating anticipated servicing needs/capital costs. A simplified methodology is detailed below:

- 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:
 - (a) Grants, subsidies and other contributions;
 - (b) Benefit to existing development;
 - (c) Statutory 10% deduction (for discounted services);
 - (d) Amounts in excess of 10-year historic service level calculation;
 - (e) Uncommitted DC reserve funds contribution (where applicable);
- 5) Net capital costs are then allocated between residential and non-residential sectors;
- 6) Net costs are then divided by growth projections to provide the development charge per property type.

The City engaged Hemson Consulting Ltd. to support the review and development of the City's updated DC Background Study and draft by-law. Staff along with Hemson have been working to produce the updated study, which was released to the public on October 17, 2019 via the City's website at www.waterloo.ca/developmentcharges. Additionally, and as required by the DC Act, notice in a general circulation newspaper is required informing the community of the November 18, 2019 Formal Public Meeting date. Ads were posted in the October 17 & 24 editions of the Waterloo Chronicle as is done with other City notice ads.

Population & Employment Forecast:

The population and employment growth forecasts being used in the City's DC Background Study are based on the Region's "moderate forecast" which, while still aligning with the Provincial targets, achieves the targets in a manner that is more aligned with recent growth rates observed. Simply put, the moderate forecast achieves the Growth Plan's 2031 population and employment targets but 10 years later in 2041. The Region has used the moderate forecast as part of their various master plans and

most recently for their DC by-law update. Furthermore, the population and employment forecast used in the transportation model for the City's Transportation Master Plan update is based on the Region's moderate growth scenario. It is thought to be the most realistic forecast to use for the DC Background Study update.

With the time horizon forecast period now extending to 2041 (vs 2031 in the last DC update), engineered (hard) services can forecast project costs out to that 2041 timeframe as permitted under the DC Act. General (soft) services are still bound by a 10 year forecast horizon to 2029.

The residential and non-residential growth forecasts used in the Background Study to identify infrastructure needs and development charge rates are as follows (note, the forecast includes permanent residents in addition to accounting for off-campus students residing in the City of Waterloo).

Table 2: Summary of Anticipated Residential and Non-residential Growth

| Development Forecast | 2019 Estimate | General Services 2020 - 2029 | | Engineered Services 2020 - 2041 | |
|---|---------------|---------------------------------|---------------|------------------------------------|---------------|
| | | Growth | Total at 2029 | Growth | Total at 2041 |
| Residential | | | | | |
| Total Occupied Dwellings | 42,490 | 7,327 | 49,816 | 15,778 | 58,268 |
| Total Population Census (with undercount and students) <i>Population In New Dwellings</i> | 133,482 | 13,597 20,350 | 147,079 | 26,701 44,311 | 160,183 |
| Non-Residential | | | | | |
| Employment | 70,625 | 7,827 | 78,452 | 18,375 | 89,000 |
| Non-Residential Building Space (sq.ft.) | | 3,287,340 | | 7,717,500 | |

General Service Level Caps & Capital Program:

General Services under the City's DC by-law are: Protective Services, Public Works and Fleet, Parks and Major Indoor Recreation Facilities, Parking, Cemeteries, Library Services, and Growth Studies. These services are forecasted to service growth from 2020-2029 inclusive.

Engineered Services under the City's DC by-law are: Roads & Related, Water Supply & Wastewater, Stormwater & Drainage Control, and Engineering Studies. These services are forecasted to service growth from 2020-2041 inclusive.

For most General Services, in addition to Roads and Related Services, the Development Charges Act requires that a "level of service" cap be established. This is done by establishing a 10 year service history, not only in quantity but in quality, per

population and then extrapolating that figure over the anticipated future growth. These “caps” represent the maximum allowable project costs that can be incorporated into a Background Study to be recovered via DC’s. These “caps” also represent the dollar amount that would be required to be spent to maintain the current service level.

Service levels are not calculated for the engineered services of Water Supply & Wastewater and Stormwater Drainage & Control Services as new infrastructure for these services is required to meet engineering standards set by other health and environmental legislation/acts. Additionally, service levels are not calculated for Growth or Engineering Studies as there are no assets to base a service level upon.

Table 3 below outlines service level caps for the applicable services and the total proposed capital program as developed for the Background Study, including any existing reserve balances utilized. The Post Period Capacity (PPC) component is the amount of the capital program in excess of the service level cap, and is to be recovered in future DC by-law updates.

Table 3: Service Level Caps & Proposed Capital Program

| Service | DC Study Service “Cap” | Funded via Proposed DC Rates | Funded via Existing DC Reserves | Funded via Future DC Rates (PPC) |
|-------------------------------------|------------------------|------------------------------|---------------------------------|----------------------------------|
| Protective Services (Fire) | \$3,731,847 | \$3,731,847 | \$1,168,269 | \$6,236,748 |
| Public Works & Fleet | \$6,654,080 | \$6,654,080 | n/a * | \$2,035,023 |
| Parks & Major Indoor Rec | \$63,911,012 | \$30,129,835 | \$2,074,788 | \$0 |
| Library Services | \$4,726,045 | \$4,726,045 | n/a * | \$441,826 |
| Parking | \$8,393,280 | \$8,393,280 | \$4,899,118 | \$1,364,356 |
| Cemeteries | \$3,250,349 | \$0 | \$17,200 | \$0 |
| Growth Studies | n/a ** | \$3,002,700 | \$25,459 | \$0 |
| Sub-total General Service | - | \$56,637,787 | \$8,184,834 | \$10,077,953 |
| Roads & Related | \$74,795,694 | \$37,472,198 | n/a * | \$0 |
| Water & Wastewater | n/a ** | \$33,760,925 | \$4,905,392 | \$0 |
| Stormwater & Drainage | n/a ** | \$17,194,612 | \$3,450,912 | \$0 |
| Engineering Studies | n/a ** | \$4,384,826 | n/a * | \$0 |
| Sub-total Engineered Service | | \$92,812,561 | \$8,356,304 | \$0 |
| TOTAL: | | \$149,450,348 | \$16,541,138 | \$10,077,953 |

* Reserve for this service currently in negative position, to be recovered through forecast period

** Service level cap calculation not required for this service

The General Services DC-eligible capital budget forecast over the next 10 years (2020-2029) totals approximately \$64.8M, while the DC-eligible Engineered Services capital budget forecast over the 2020-2041 period totals approximately \$101.2M, in 2019 dollars.

The capital project details and associated service level caps (where relevant) have been listed within the various service sections of the Background Study in Appendix B & C. A capital project sheet summary book for both Engineered and General Services is also available at www.waterloo.ca/developmentcharges and contains a city map of the proposed development charge construction projects.

Development Charge Calculation:

The calculation for residential development charges is generated based upon six forms of housing types:

- Single and semi-detached
- Apartments with 1 bedroom or less
- Apartments with 2-3 bedrooms
- Apartments with 4 or more bedrooms
- Multiples (townhomes, row, etc.)
- Lodging house (charged on a per room basis)

The non-residential development charge has been calculated on both a per sq.m. and sq.ft. of gross floor area basis. The calculated City wide DC rates are shown in Table 4 below.

Table 4: Calculated Development Charge Rates

| Service | Residential Charge By Unit Type (1) | | | | | |
|--|-------------------------------------|-------------------|-----------------|-----------------|-----------------|---------------------------|
| | Singles & Semis | Apartments | | | Multiples | Lodging House Per Bedroom |
| | | 1 Bedroom or Less | 2-3 Bedrooms | 4-5 Bedrooms | | |
| Library Services | \$908 | \$325 | \$577 | \$1,120 | \$597 | \$260 |
| Protective Services | \$489 | \$175 | \$311 | \$603 | \$322 | \$140 |
| Parks and Major Indoor Recreation Facilities | \$5,187 | \$1,856 | \$3,298 | \$6,395 | \$3,412 | \$1,485 |
| Cemeteries | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Parking | \$1,177 | \$421 | \$748 | \$1,451 | \$774 | \$337 |
| Public Works and Fleet | \$842 | \$301 | \$535 | \$1,038 | \$554 | \$241 |
| Growth Studies | \$398 | \$143 | \$253 | \$491 | \$262 | \$114 |
| Subtotal General Services | \$9,001 | \$3,221 | \$5,722 | \$11,098 | \$5,921 | \$2,577 |
| Roads and Related Services | \$2,763 | \$989 | \$1,757 | \$3,406 | \$1,817 | \$791 |
| Water Supply and Wastewater | \$2,504 | \$896 | \$1,592 | \$3,088 | \$1,647 | \$717 |
| Stormwater Drainage and Control Services | \$1,226 | \$439 | \$780 | \$1,512 | \$806 | \$351 |
| Engineering Studies | \$283 | \$101 | \$180 | \$349 | \$186 | \$81 |
| Subtotal Engineered Services | \$6,776 | \$2,425 | \$4,309 | \$8,355 | \$4,456 | \$1,940 |
| TOTAL CHARGE PER UNIT | \$15,777 | \$5,646 | \$10,031 | \$19,453 | \$10,377 | \$4,517 |

NON-RESIDENTIAL

| Service | Charge per Square Foot | Charge per Square Metre |
|--|------------------------|-------------------------|
| Library Services | \$0.00 | \$0.00 |
| Protective Services | \$0.34 | \$3.66 |
| Parks and Major Indoor Recreation Facilities | \$0.00 | \$0.00 |
| Cemeteries | \$0.00 | \$0.00 |
| Parking | \$0.81 | \$8.72 |
| Public Works and Fleet | \$0.58 | \$6.24 |
| Growth Studies | \$0.28 | \$3.01 |
| Subtotal General Services | \$2.01 | \$21.64 |
| Roads and Related Services | \$1.89 | \$20.34 |
| Water Supply and Wastewater | \$1.71 | \$18.41 |
| Stormwater Drainage and Control Services | \$0.84 | \$9.04 |
| Engineering Studies | \$0.20 | \$2.15 |
| Subtotal Engineered Services | \$4.64 | \$49.94 |
| TOTAL CHARGE | \$6.65 | \$71.58 |

At the October 21, 2019 DC update meeting (report CORP2019-070), Council moved:

1. That staff be directed to develop a development charge rate structure for apartments which differentiates between units with three or fewer bedrooms and those with four or five bedrooms.
2. That staff be directed to include this rate structure in the report which will be considered by Council at the public meeting for the development charges by-law scheduled for November 18, 2019.

Staff have worked with Hemson Consulting Ltd. to prepare the apartment rate structure as per Council's motion (see Table 5(e) below), in addition to various other scenarios for Council's consideration as summarized in Tables 5(a) through 5(e).

Forecasted growth in apartment units is projected as a whole rather than at the unit type level (i.e. based on number of bedrooms). Unit types are only relevant when the per capita rate is translated into the per unit rate. This translation is based on recent historical persons per unit (PPU's) for the different unit types to arrive at the various different charges per unit based on number of bedrooms.

Historical PPU's for the different unit types are derived from detailed information as compiled by Hemson, along with discussions and input from City Staff.

Table 5(a): Apartment Rate Structure Comparison - Current

| Current Apartment Rate Structure | Apartments | | |
|----------------------------------|-------------------|-----------------|-----------------|
| | 1 Bedroom or Less | 2-3 Bedrooms | 4+ Bedrooms |
| TOTAL CHARGE PER UNIT | \$5,646 | \$10,031 | \$19,453 |
| Based on Persons Per Unit Of: | 1.25 | 2.22 | 4.31 |

Table 5(b): Apartment Rate Structure Comparison – Single Rate

| Single Apartment Rate | Apartments |
|-------------------------------|----------------|
| TOTAL CHARGE PER UNIT | \$9,364 |
| Based on Persons Per Unit Of: | 2.07 |

Table 5(c): Apartment Rate Structure Comparison – Two Rates (1 bed & 2+ beds)

| Two Apartment Rates | Apartments | |
|-------------------------------|-------------------|-----------------|
| | 1 Bedroom or Less | 2+ Bedrooms |
| TOTAL CHARGE PER UNIT | \$5,646 | \$11,910 |
| Based on Persons Per Unit Of: | 1.25 | 2.64 |

Table 5(d): Apartment Rate Structure Comparison – Two Rates (1-2 beds & 3+ beds)

| Two Apartment Rates | Apartments | |
|-------------------------------|----------------|-----------------|
| | 1-2 Bedrooms | 3+ Bedrooms |
| TOTAL CHARGE PER UNIT | \$7,841 | \$16,678 |
| Based on Persons Per Unit Of: | 1.74 | 3.69 |

Table 5(e): Apartment Rate Structure Comparison – Two Rates (1-3 beds & 4+ beds)

| Two Apartment Rates | Apartments | |
|-------------------------------|----------------|-----------------|
| | 1-3 Bedrooms | 4+ Bedrooms |
| TOTAL CHARGE PER UNIT | \$8,684 | \$19,453 |
| Based on Persons Per Unit Of: | 1.92 | 4.31 |

For reference, a comparison of apartment DC rate structures for some similar sized municipalities outside of the GTA are noted below in Table 6.

Table 6: Municipal Comparison of Apartment DC Rate Structures

| City | Number of Rates | Categories for Apartment DC's |
|--------------------|-----------------|---|
| City of Waterloo | 3 | <ul style="list-style-type: none"> • Bachelor and 1 bed • 2 – 3 bed • 4 bed + |
| Barrie | 2 | <ul style="list-style-type: none"> • Bachelor and 1 bed • 2 bed + |
| Guelph | 2 | <ul style="list-style-type: none"> • Bachelor and 1 bed • 2 bed + |
| Kingston | 2 | <ul style="list-style-type: none"> • Bachelor and 1 bed • 2 bed + |
| Milton | 2 | <ul style="list-style-type: none"> • Bachelor and 1 bed • 2 bed + |
| London | 2 | <ul style="list-style-type: none"> • Bachelor and 1 bed • 2 bed + |
| Brantford | 2 | <ul style="list-style-type: none"> • Small apt 70 sq.m or less [≤ 753 sq.ft] • Large apt > 70 sq.m [> 753 sq.ft] |
| Cambridge | 1 | <ul style="list-style-type: none"> • One Rate for all Apartments |
| Kitchener | 1 | <ul style="list-style-type: none"> • One Rate for all Apartments |
| Region of Waterloo | 1 | <ul style="list-style-type: none"> • One Rate for all Apartments |

Cash Flow:

Development charge calculations are undertaken on a cash flow basis. The calculated DC's in the above tables and scenarios are based on a cash flow summary as forecasted in the Background Study technical appendices B and C.

Some notes on the cash flow basis of determining DC rates:

- The full uncommitted DC reserve fund balances offset planned capital spending to the extent possible; negative reserve fund balances are recovered through DC collections throughout the forecast period.
- The DC is calculated so as to fully consume the reserve fund amount, leaving a zero reserve fund balance (residential and non-residential) at the end of the period in either 2029 or 2041 (depending on the service and its applicable growth forecast period).
- Existing debt payments represent debt charges resulting from external debentures previously issued to fund the growth share of infrastructure costs.
- Anticipated revenues are the estimated DC revenue the City will receive for any given year. This is calculated by taking the forecasted growth in new units for residential or forecasted gross floor area for non-residential, multiplied by the required DC per unit or per sq.ft. of non-residential floor area.

It should be noted that this cash flow method of developing DC rates assumes that the DC reserve can go into the negative, as permitted by the DC Act. Borrowing costs are built into the calculated DC rates, and Staff will manage cash flow of the DC reserves and determine if/when debenture financing may be needed in order for projects to proceed.

Policy Updates & Changes:

Staff are not proposing any significant changes to existing DC by-law policies, rather the goal is to align some of the more administrative portions of the by-law with that of the Region's DC by-law. This would provide better alignment along with ease of calculations for the development community and City staff.

Proposed policy changes to the updated DC by-law are as follows:

- Refined definitions to better align with the Region DC by-law where applicable.
- Treatment of DC's for secondary dwelling units in new construction, taking into account pending Bill 108 legislative changes. Currently, secondary dwelling units in new construction are required to pay DC's but are not required to in existing dwelling units.
- Redevelopment credits timing to align with the Region's DC by-law – up to 5 years for residential and 10 years for non-residential / mixed use (currently 6 years for all types).
- Refunds timing to align with the Region's DC by-law – increased from 1 to 7 years from the issuance of the building permit if subsequently cancelled by the Chief Building Official (CBO).
- Annual indexing timing change from Jan. 1 annually to Dec. 1.

Public Engagement & Industry Feedback:

On November 18, 2019 Council is holding a formal public meeting as required under the DC Act. Members of the general public in addition to community groups were informed of the updated DC Background study and draft by-law, with these documents being released on October 17, 2019 and November 1, 2019 respectively.

General public engagement was focused on awareness for the DC update and provided mechanisms to disseminate relevant information as it became available. This included strategies such as:

- Corporate webpage updates to include reports and presentations to Council along with a short "DC101" video.
- Notice of formal public meeting and location of the updated DC study and draft by-law documents was provided in the Waterloo Chronicle over 2 weeks in October.

As done in previous DC by-law updates, Staff have also solicited input from an external industry working group that has dialogued with Staff and the consulting team from Hemson to provide comments/feedback on the DC study update process. They had the

opportunity to meet with City Staff several times over the past few months to review the growth projections and proposed capital program, as well as policy related items contained in the draft by-law. The City's external industry working group is comprised of representatives with various technical/professional backgrounds from the Waterloo Region Homebuilders Association, the Waterloo Economic Development Advisory Committee, and the KW Chamber of Commerce. The group was pleased with the engagement process and appreciative of the City's ability to answer questions in a transparent and timely manner. Their feedback thus far has been that the consultation process is positive and informative, and are supportive of the methodology to calculate draft rates.

By-law Implementation:

Staff will be returning on December 16, 2019 to have Council pass a new DC by-law and recommending that the new by-law rates take effect on December 31, 2019.

The DC eligible services are structured into two categories as shown in Schedule A of the draft by-law (i.e. discounted & non-discounted services). Two rate tables are also subsequently presented in Schedules B & C of the draft by-law corresponding to these discounted and non-discounted services. Pending anticipated revisions to the DC Act from Bill 108, the discounted services rate table would then lapse from the development charge, with the non-discounted services remaining in force until such time as the DC by-law is once again updated.

Timelines & Next Steps:

There are key dates to follow with respect to the DC Act in terms of notice periods and public documents. Staff have prepared the following timeline for information that will provide the required notices and disclosure requirements.

- Oct. 17: DC Background Study Public Release & 60-day circulation period (must be at least 60 days before by-law passage, and 2 weeks prior to public meeting – both requirements met)
- Oct. 17 & 24: Public Meeting notice provided in general circulation newspaper (Waterloo Chronicle)
- Oct. 21: DC Update Report to Council for information (CORP2019-070)
- Nov. 1: Draft DC By-law available on City website as indicated in Public Meeting notice
- **Nov. 18: Formal Public Meeting** (need at least 20 days notice in newspaper & study available at least 2 weeks prior – both requirements met)
- Dec. 16: Passage of DC by-law by Council
- Dec. 31: Implementation of new DC by-law and new rates take effect (new DC rate brochure to be available)
- TBD: Notice of DC by-law approval and time for appeal (Clerk to post notice not later than 20 days after the day the by-law is passed – appeal period is up to 40 days after the day the by-law is passed)

Summary:

The DC Background Study and draft by-law update process is moving towards completion. Various internal departments have contributed a significant amount of information to date, allowing the City's Consultant to prepare the Background Study document and draft by-law for Council's consideration. The City's external industry working group members have also been invaluable in providing input to City Staff on the various parameters within the Study.

Should Council direct Staff to migrate towards a different rate structure for apartment units, Staff would integrate this into the draft by-law for Council's consideration during the by-law approval report on December 16, 2019.

APPENDIX A

- Updated Development Charge By-law – *DRAFT* -

**THE CORPORATION OF
THE CITY OF WATERLOO****BY-LAW NO. 2019 – _____**

Being a by-law of The Corporation of the City of Waterloo
with respect to Development Charges

WHEREAS section 2(1) of the Development Charges Act, 1997, as amended (the "Act"), enables the council of a municipality to pass by-laws imposing development charges against land to pay for increased capital costs required because of increased needs for services arising from development of the area of the municipality to which the by-law applies;

AND WHEREAS the Council of the Corporation of the City of Waterloo ("Council"), at its meeting of December 16, 2019, approved Report CORP2019-____, and in so doing adopted the "2019 Development Charges Background Study" dated October 17, 2019, prepared by City staff in association with Hemson Consulting Ltd. (the "Study");

AND WHEREAS Council provided notice of a public meeting on October 17 & 24, 2019, in accordance with section 12 of the Act, and held a public meeting on this same matter on November 18, 2019;

AND WHEREAS Council at that public meeting heard submissions of all persons who applied to be heard and, further, provided a sufficient period of time for the submission of written comments on the Study;

AND WHEREAS Council, having considered the use of area specific development charges, resolved on October 21, 2019, to continue its current practice of imposing development charges on a City-wide basis;

AND WHEREAS Council determined by resolution adopted on December, 16, 2019 that no further public meetings were required under section 12 of the Act;

AND WHEREAS Council, in considering all submissions on the Study and in adopting the Study, directed that development charges be imposed on lands within the City subject to development or redevelopment which would have the effect of substantially increasing the usability of such lands, in accordance with the provisions of this by-law.

THEREFORE THE MUNICIPAL COUNCIL OF THE CORPORATION OF THE CITY OF WATERLOO ENACTS AS FOLLOWS:

1. IN THIS BY-LAW,

DEFINITIONS

- (1) “accessory” when used to describe a use, building or structure, means a use, building or structure incidental, subordinate and exclusively devoted to the principal use, building or structure situated on the same lot. An accessory building or structure shall not be used for human habitation unless specifically permitted to do so by this By-law nor shall the accessory use share the same gross floor area of the principal use or occupy more than the percentage of gross floor area of the Site permitted as an accessory use by the applicable zoning by-laws ;
- (2) “accessory apartment dwelling” means a separate self-contained dwelling unit which lawfully and actually existed on November 16, 1995 and the dwelling has continued to exist from Nov 16 1995 to present within a residential building that was originally designed as either:
 - (a) a single detached dwelling,
 - (b) a semi-detached dwelling,
 - (c) a townhouse dwelling,
 - (d) a freehold townhouse dwelling;
- (3) “Act” means the Development Charges Act, 1997, c.27, as amended and all regulations thereto;
- (4) “apartment building” means a residential building containing four (4) or more dwelling units, where each dwelling unit has access to an interior common corridor system with shared exit and entrance at grade. Excludes maisonette building, stacked townhouse building and Back-to-Back Townhouse Building;
- (5) “Assessment Act” means the Assessment Act, 1990, c.A.31, as amended and

all regulations thereto;

- (6) “back-to-back townhouse dwelling” means a building containing more than two dwelling units separated vertically by a common wall, including a rear common wall, that do not have rear yards;
- (7) “bed & breakfast establishment” means a single detached building where guest rooms are rented for the purposes of providing temporary overnight accommodation with one or more meals to the travelling or vacationing public as per the City’s zoning by-law. Excludes hotel, group home, restaurant;
- (8) “bedroom” means a habitable room within a dwelling unit that is not:
- (a) a living room open to all occupants of the unit, and a dining room open to all occupants of the unit (the “Common Areas”);
 - (b) areas used for sanitary purposes, such as but not restricted to a washroom;
 - (c) areas used for cooking purposes, such as but not restricted to a kitchen;
 - (d) areas occupied by mechanical equipment, such as but not limited to furnaces, hot water heaters, and laundry equipment;
 - (e) stairways or hallways;
 - (f) rooms less than six (6) square metres in area where there are built-in cabinets and or closets;
 - (g) rooms less than seven (7) square metres in area where there are no built- in cabinets and or closets;
 - (h) a room without a window or alternative source of natural light; and
 - (i) a bachelor or studio unit shall be calculated to contain one (1) bedroom;
- (9) “board of education” means a board defined in s.s.1(1) of the Education Act R.S.O. 1990, c.E.2, as amended;
- (10) “building” means any structure used or intended to be used for the shelter, accommodation, or enclosure of persons, animals, or chattels. Any tent, awning, bin, metal container, platform, vessel, or vehicle used for the shelter, accommodation, or enclosure of persons, animals, or chattels shall be deemed a building for the purposes of this By-Law. Excludes a boundary wall or fence;
- (11) “Building Code Act” means the Building Code Act, S.O. 1992 c. 23, as amended and all regulations thereto;
- (12) “by-law” means this D.C. by-law and any amendments thereto;
- (13) “capital cost” means costs incurred or proposed to be incurred by the municipality or a local board thereof directly or under an agreement,

- (a) to acquire land or an interest in land, including a leasehold interest;
 - (b) to improve land;
 - (c) to acquire, lease, construct or improve buildings and structures;
 - (d) to acquire, lease, construct or improve facilities including,
 - (i) rolling stock, with an estimated life of seven years or more;
 - (ii) furniture and equipment, other than computer equipment;
 - (iii) materials acquired for circulation, reference or information purposes by a library board as defined in the Public Libraries Act, R.S.O. 1990, c.34, as amended; and
 - (e) to undertake studies in connection with any of the matters referred to in clauses (a) to (d);
 - (f) to complete the development charge background study required under section 10 of the Act;
 - (g) interest on money borrowed to pay for costs in (a) to (d); required for the provision of services designated in this by-law within or outside the municipality;
- (14) “Chief Building Official” means the City's Chief Building Official or his or her designate;
- (15) “City” means The Corporation of the City of Waterloo;
- (16) “City Treasurer” means the City's Treasurer and Chief Financial Officer;
- (17) “Condominium Act” means the Condominium Act, 1998 c. 19, as amended and all regulations thereto;
- (18) “Council” means City’s Council;
- (19) “development” means the construction, erection or placing of one or more buildings or structures on land or the making of an addition or alteration to a building or structure that has the effect of increasing the size or usability thereof according to one or more of the actions referred to in subsection 2(2) of the Act, and includes redevelopment;
- (20) “development charge” means a charge imposed pursuant to this by-law;
- (21) “duplex building” means a residential building divided into two (2) dwelling units by a horizontal continuous common wall;
- (22) “dwelling unit” means two (2) or more rooms designed or intended to be occupied by and for the use of an individual or household as a residence with cooking and sanitary facilities exclusive to and within the unit;
- (23) “existing industrial building” means a building or buildings existing on a site on

August 1, 2014 or the first building or buildings constructed on a vacant site pursuant to site plan approval under section 41 of the Planning Act, subsequent to August 1, 2014 for which full development charges were paid, used for or in connection with,

- (a) manufacturing, producing, assembly, processing, storing, warehousing or distributing something provided that such activities occupy not less than 75% of the gross floor area of the building(s) on the site;
 - (b) research or development in connection with manufacturing, producing or processing something which does not constitute more than 25% of the gross floor area of the building(s) on the site;
 - (c) retail sales by a manufacturer, producer or processor of something they manufactured, produced or processed, provided that the retail sales are at, and do not constitute more than 25% of the gross floor area of the building(s) on the site where the manufacturing, production or processing takes; or
 - (d) office or administrative purposes, if they are,
 - (i) carried out with respect to manufacturing, producing, assembly, processing, storage, warehousing or distributing of something; and
 - (ii) in or attached to the building(s) or structure(s) used for that manufacturing, producing, assembly, processing, storage, warehousing or distribution;
- (24) “farm building” means that part of a bona fide farming operation encompassing barns, silos and other ancillary development to an agricultural use, but excluding a residential use;
- (25) “freehold townhouse building” means a residential building containing three (3) to six (6) dwelling units which:
- (a) are separated vertically by a continuous common wall without opening from basement to roof;
 - (b) are under a connected roof;
 - (c) have a separate entrance at grade;
 - (d) have connected exterior walls; and
 - (e) are located on separate lots;
- (26) “garden suite” means a separate self-contained dwelling unit that is designed to be portable and located on the same lot as the principal dwelling unit;
- (27) “grade” means the finished ground level of the land, and when used in reference to a building or structure shall mean the finished ground level of the land adjacent to the exterior walls of the building or structure;
- (28) “gross floor area” means the total floor area of a building or structure or part

thereof, measured between the outside surfaces of exterior walls or between the outside surfaces of exterior walls and the centre line of any partition walls dividing the building or structure from another building or structure, of all floors, except for:

- (a) a room or enclosed area within the building or structure above or below grade that is used exclusively for the accommodation of heating, cooling, ventilating, electrical, mechanical or telecommunications equipment that service the building;
- (b) loading facilities above or below grade;
- (c) in the case of a residential building, a part of the building or structure that is used for:
 - (i) residential amenity space,
 - (ii) the parking of motor vehicles; and
 - (iii) storage or other accessory use; and
- (d) in the case of a non-residential building, a part of the building or structure that is specifically designated and used for the parking of passenger motor vehicles;

The gross floor area shall include any area which is being used for the repair or for the public sale of vehicles.

- (29) “group home” means a residential dwelling where a household ranging from three (3) to eight (8) residents (excluding staff and the receiving family) live under supervision, and who by reason of their emotional, mental, social, physical condition, or legal status require a group living arrangement for their well-being. Group homes shall be licensed or approved for funding under an Act of the Parliament of Canada or the Province of Ontario;
- (30) “home occupation” means a vocational use, which is not a Farm Occupation, carried on in conjunction with a Dwelling Unit on the same property as permitted by the applicable municipal zoning by-law;
- (31) “hotel” means a building or part thereof with no less than six (6) rooms used or designed to be used for temporary overnight accommodation of the travelling or vacationing public, and may include an ancillary restaurant and conference facilities. Excludes bed & breakfast establishment, group home, long term care facility, and assisted living facility;
- (32) “household” means one (1) or more persons living together as a single non-profit, independent housekeeping unit, sharing all areas of the dwelling unit;
- (33) “institution” means a not-for-profit organization or foundation devoted to a public, educational, health, social welfare, or charitable cause or program. Includes a public hospital, library, university, college, public school, community centre, and government operations. Excludes spiritual uses, medical clinics, dwelling units, and residences;

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- (34) “live/work unit” means a unit which contains separate residential and non-residential areas intended for both residential and non-residential uses concurrently, and shares a common wall or floor with or without direct access between the residential and non-residential areas;
- (35) “local board” has the same meaning as defined in section 1 of the Act;
- (36) “local services” means those facilities, works or matters which may be required by the City as a condition of approval under sections 51 or 53 of the Planning Act or Section 34(5) under the Condominium Act;
- (37) “lodging house” means a building or part thereof where the residents share access to common areas of the building, other than the Lodging room, used for residential occupancy where a proprietor offers lodging rooms to five (5) or more persons, with or without meals, in return for remuneration or the provision of a service, or for both. Excludes hotel, bed & breakfast establishment, long term care facility, assisted living facility, group home;
- (38) “lodging room” means a bedroom within a lodging unit designed to be occupied for human habitation by one resident which is exclusively used by the resident of the bedroom, and is not normally accessible to persons other than the resident of the bedroom;
- (39) “lodging unit” means a living accommodation which does not include the exclusive use of both a kitchen and a bathroom;
- (40) “long term care facility” means a building or part thereof:
- (a) that is regulated by the Ontario Ministry of Health & Long-Term Care;
 - (b) that is the residence of a person;
 - (c) where residents are provided with twenty four (24) hour nursing care and supervision; and
 - (d) where residents are furnished with meals;
- (41) “maisonette building” means a residential building containing four (4) or more dwelling units, where each dwelling unit has at least two separate means of egress. One of the means of egress shall lead to a common corridor, and the other means of egress shall lead directly outside from the dwelling unit;
- (42) “mixed-use building” means a building containing one or more dwelling units and one or more non-residential uses other than:
- (a) home occupations;
 - (b) parking spaces;
- (43) “Municipal Act” means the Municipal Act, 2001, S.O. 2001 c.25, as amended

and all regulations thereto;

- (44) “multi-unit residential building” means a residential building containing four (4) or more dwelling units;
- (45) “multiple dwelling” means all residential dwellings other than a single detached dwelling, semi-detached dwelling, apartment dwelling or a lodging house/room; including, but not limited to, townhouse dwelling, multi-unit dwelling, back-to-back townhouse dwelling, stacked townhouse dwelling;
- (46) “non-residential use” means any commercial, industrial, institutional or other use not included in the definition of a residential use and “non-residential” has a corresponding meaning;
- (47) “Official Plan” means the City's Official Plan, and any amendments thereto;
- (48) “owner” means the owner of land or a person who has made application for an approval for the development of land upon which a development charge is imposed;
- (49) “place of worship” means that part of a building or structure that is exempt from taxation as a place of worship under section 3 of the Assessment Act;
- (50) “Planning Act” means the Planning Act, 1990, c.P.13, as amended and all regulations thereto;
- (51) “Public Hospitals Act” means the Public Hospitals Act, c.P. 40, as amended and all regulations thereto;
- (52) “redevelopment” means the removal of a building or structure from land, the further development of the land, or the substantial renovation of a building or structure and a change in the use or density of the use in connection therewith;
- (53) “Region” means The Regional Municipality of Waterloo;
- (54) “regulation” means Ontario Regulation 82/98, as amended;
- (55) “residential amenity space” means indoor or outdoor space on a lot that is:
- (a) ancillary to a residential use; and
 - (b) communal and available for use by the residents of the residential building or residential portion of the building on the lot and their invitees for recreational or social activities;
- (56) “residential use” means land, buildings or structures of any kind whatsoever or a part thereof used, designed or intended to be used as living

accommodations for one or more individuals, but does not include hospitals, hotels, group homes, or long-term care facilities and assisted living facilities, and "residential" has a corresponding meaning;

- (57) "semi-detached building" means a residential building divided into two (2) dwelling units by a vertical continuous common wall without opening from basement to roof;
- (58) "services" (or "service") means those services set out in Schedule "A" to this by-law;
- (59) "services in lieu" means those services specified in an agreement made under section 7 of this by-law;
- (60) "servicing agreement" means an agreement between a landowner and the municipality relative to the provision of municipal services to specified lands within the municipality;
- (61) "single detached dwelling" means any building containing only one dwelling unit;
- (62) "spiritual use" see "place of worship";
- (63) "stacked townhouse building" means a residential building containing four (4) or more dwelling units which are horizontally and vertically separated in a split level or stacked manner, where each dwelling unit egresses directly outside to grade (no egress to a common corridor);
- (64) "triplex building" means a residential building containing three (3) dwelling units with a maximum of two (2) of the three (3) dwelling units being vertically separated;
- (65) "townhouse building" means a residential building containing three (3) to six (6) dwelling units which:
- (a) are separated vertically by a continuous common wall without opening from basement to roof;
 - (b) are under a connected roof;
 - (c) have a separate entrance at grade;
 - (d) have connected exterior walls; and
 - (e) are located on the same lot.

2. SCHEDULE AND CALCULATION OF DEVELOPMENT CHARGES

- (1) Council hereby determines that the development of land, within the City, unless otherwise specified in this by-law, will increase the need for the services referenced in Schedule "A".

(2) Subject to section 4 and the other provisions of this by-law, development charges against land shall be calculated and collected in accordance with the base rates set out in Schedule "B" and Schedule "C" to this by-law, which relate to the services set out in Schedule "A".

(3) The development charge with respect to the use of any land, buildings or structures or portions thereof shall be calculated as the aggregate of the following:

- (a) For development for residential purposes, development charges shall be imposed on all residential development, including a dwelling unit accessory to a non-residential development and the residential component of a mixed-use building, including the residential component of a live/work unit, according to the number and type of dwelling units on the lands as set out in Schedule "B" and Schedule "C"; and
- (b) For development for non-residential purposes, development charges shall be imposed on all non-residential development and, in the case of a mixed-used building, on the non-residential component of the mixed-use building, including the non-residential component of a live/work unit, according to the type and gross floor area of the non-residential component as set out in Schedule "B" and Schedule "C".

3. APPLICABLE LANDS

(1) Subject to subsections (2), (3), (4) and (5), this by-law applies to all lands in the City of Waterloo, whether or not the lands or use is exempt from taxation under section 3 of the Assessment Act.

(2) This by-law shall not apply to land that is owned by and used for the purposes of:

- (a) any educational use by a board of education;
- (b) any municipality or any local board of such municipality;
- (c) the Crown in right of Ontario or the Crown in right of Canada;
- (d) universities or colleges except:
 - (i) development beyond lands designated "Academic " in the Official Plan;
 - (ii) industrial/research uses on university or college lands where the industrial/research use is the main use; or
 - (iii) commercial uses.

(3) This by-law shall not apply to:

- (a) a temporary use permitted under a zoning by-law amendment enacted under section 39 of the Planning Act;
- (b) the temporary use of a construction trailer in connection with the

- construction of the development; or
- (c) the erection of a building without foundation as defined in the Building Code Act for a period not exceeding six (6) consecutive months, provided that:
 - (i) the status of the building or structure as a temporary building or structure is maintained in accordance with the provisions of this subsection; and
 - (ii) upon application being made for the issuance of a permit under the Building Code Act, in relation to a temporary building or structure on land to which a development charge applies, the City may require that the owner submit security satisfactory to the City's Commissioner of Integrated Planning and Public Works (IPPW), to be realized upon and in the event that the building or structure is present on the subject land for a continuous period exceeding six (6) months, and development charges thereby become payable.
 - (d) an Accessory Building, provided that the total Gross Floor Area of the Accessory Building or Buildings does not exceed the total Gross Floor Area of the applicable main use, buildings, Dwelling Units or Lodging Units; and as permitted by the applicable zoning by-laws

(4) This by-law shall not apply to the development of land that constitutes, in accordance with, and subject to the restrictions contained in, section 2(3) of the Act and section 2 of the regulation:

- (a) the enlargement of an existing dwelling unit;
- (b) the creation of one or two additional dwelling units in an existing single detached dwelling; or
- (c) The creation of a second dwelling unit in prescribed classes of proposed new residential buildings, including structures ancillary to dwellings, subject to the prescribed restrictions;
- (d) the creation of one additional dwelling unit in any other existing residential building.

For clarity, existing refers to the unit, dwelling or building prior to the first enlargement.

(5) This by-law shall not apply to the enlargement of an existing industrial building up to a maximum of fifty percent (50%) of the existing gross floor area prior to the first enlargement, in accordance with section 4 of the Act and section 1 of the regulation.

(6) Despite one or more lots being created from an original lot which result in an existing industrial building being separated on a lot from its previous enlargement(s) for which an exemption was granted under section 3(5) of this by-law, further exemptions, if any, shall be calculated on the basis of the gross floor area of the existing industrial building prior to the first enlargement and the lot prior to its division.

(7) Where a conflict exists between the provisions of this by-law and any other agreement between the City and the owner, with respect to land to be charged under this policy, the provisions of such agreement prevail to the extent of the conflict.

4. APPLICATION OF CHARGES

(1) Per section 2(2) of the Act, development charges shall apply to, and shall be calculated and collected in accordance with the provisions of this by-law on land to be developed for residential and non-residential use for development that requires:

- (a) the passing of a zoning by-law or an amendment thereto under section 34 of the Planning Act;
- (b) the approval of a minor variance under section 45 of the Planning Act;
- (c) a conveyance of land to which a by-law passed under subsection 50(7) of the Planning Act applies;
- (d) the approval of a plan of subdivision under section 51 of the Planning Act;
- (e) a consent under section 53 of the Planning Act;
- (f) the approval of a description under section 9 of the Condominium Act; or
- (g) the issuing of a permit under the Building Code Act, in relation to a building or structure.

(2) Subsection (1) shall not apply in respect of the provision of local services or the installation of local connections to local services.

5. REQUIREMENT TO PROVIDE LOCAL SERVICES

Nothing in this by-law prevents Council from requiring the provision of local services with respect to any lands subject to development charges under this by-law.

6. MULTIPLE CHARGES

(1) Where two or more of the approvals described in section 4(1) are required at the same time for the development of land to which a development charge applies, only one development charge shall be calculated and collected in accordance with the provisions of this by-law.

(2) Notwithstanding subsection (1), if two or more of the approvals described in section 4(1) occur at different times, and if the subsequent approval has the effect of increasing the need for municipal services as set out in Schedule A, an additional development charge on the additional residential units and/or non-residential floor area, shall be calculated and collected in accordance with the provisions of this by-law.

7. SERVICES IN LIEU

(1) Council may authorize an owner, through an agreement under section 38 of the Act, to substitute such part of the development charge applicable to the owner's development as may be specified in the agreement, by the provision at the sole expense of the owner, of services in lieu. Such agreement shall further specify that where the owner provides services in lieu in accordance with the agreement, Council shall give to the owner a credit, without interest, against the development charge in accordance with the agreement provisions and the provisions of section 39 of the Act, equal to the reasonable cost to the owner of providing the services in lieu, as determined by the City's Commissioner of IPPW. In no case shall the agreement provide for a credit which exceeds the total development charge payable by an owner to the municipality in respect of the development to which the agreement relates.

(2) In any agreement under section 7(1), Council may also give a further credit to the owner equal to the reasonable cost of providing services in addition to, or of a greater size or capacity, than would be required under this by-law.

(3) The credit provided for in subsection (2) shall not be charged to the reserve funds prescribed under section 12 of this by-law.

(4) Any unused credit may be applied upon proof satisfactory to the City's Chief Building Official, to any subsequent development charge payable in respect to the same land and may be transferable to subsequent owners thereof.

8. DEVELOPMENT CHARGE REDEVELOPMENT CREDITS

(1) Subject to the provisions of this section, where any redevelopment of land replaces or changes a former or existing development, and, in the case of demolition, a building permit has been issued within:

(a) five (5) years from the date of demolition permit issuance for a former development that was for residential use, or within five (5) years of the actual demolition if there was not an issued demolition permit, the development charge applicable to the redevelopment shall be reduced by a redevelopment allowance, without interest, not to exceed an amount equal to the total of the number and types of legally established dwelling units and lodging units in the former or existing development.

(b) ten (10) years from the date of demolition permit issuance for a former development that was for non-residential use or was a mixed-use development, or within ten (10) years of the actual demolition if there was not an issued demolition permit, the development charge applicable to the redevelopment shall be reduced by a redevelopment allowance, without interest, not to exceed an amount equal to the total of:

- I. for residential development, the number and types of legally established dwelling units and lodging units in the former or existing development; and
- II. for non-residential development, the legally established gross floor

area of all non-residential use components in the former or existing development,
as determined by the City's Commissioner of IPPW and the Chief Building Official at current applicable rates for such units or gross floor area.

(2) No redevelopment allowance shall be made in excess of the development charge payable for a redevelopment; however, where any redevelopment of land replaces or changes a former or existing development and in the case of demolition, a building permit has been issued within five (5) years from the date of demolition permit issuance for a former development that was for residential use, or within five (5) years of the actual demolition if there was not an issued demolition permit, or ten (10) years from the date of demolition permit issuance for a former development that was for non-residential use or was a mixed-use development, or within ten (10) years of the actual demolition if there was not an issued demolition permit, the redevelopment allowance may be carried forward and applied, upon proof satisfactory to the City's Commissioner of IPPW and the Chief Building Official, to any subsequent development charge payable in respect to the same land as referred to in subsection (a) and (b).

9. TIMING OF CALCULATION AND PAYMENT

(1) Development charges shall be calculated and payable in full in money or by provision of services as may be agreed upon, or by credit granted by the Act, on the date that the first building permit is issued in relation to a building or structure on land to which a development charge applies, or in a manner or at a time otherwise lawfully agreed upon.

(2) Where development charges apply to land in relation to which a building permit is required, the building permit shall not be issued until the development charge has been paid in full.

(3) Notwithstanding subsections (1) and (2), Council may agree to enter into an agreement with an owner under section 27 of the Act to provide for the payment in full of a development charge before the first building permit issuance or later than the issuing of the first building permit.

(4) Where any development charge, or part thereof, remains unpaid after the date provided for payment in an agreement entered into pursuant to subsection 3, the amount unpaid shall be added to the tax roll and shall be collected as taxes under section 446 of the Municipal Act.

(5) Where any unpaid development charges are collected as taxes under subsection (4), the monies so collected shall be credited to the development charge reserve fund or funds referred to in subsection 12(1).

10. REFUNDS

Where development charges have been paid on the issuance of a building permit and that building permit is subsequently cancelled or revoked by the Chief Building Official under the Building Code Act for the building or structure within seven (7) years of the issuance of the building permit without development having been commenced, for the purposes of this by-law the building permit shall be deemed never to have been issued, and the amount of the development charges paid shall be refunded to the payor without interest.

11. BY-LAW REGISTRATION

This By-law or a certified copy of this by-law may be registered against the title to any land to which this by-law applies.

12. RESERVE FUNDS

(1) Monies received from payment of development charges shall be maintained in a separate reserve fund for each service designated in Schedule "A," plus interest earned thereon.

(2) Monies received for the payment of development charges shall be used only in accordance with the provisions of section 35 of the Act.

(3) The City Treasurer shall, on or before June 1 of each year, furnish to Council a financial statement in respect of the reserve funds established hereunder for the prior year, containing information in accordance with the provisions of the Act.

13. BY-LAW AMENDMENT OR REPEAL

(1) Where this by-law or any development charge prescribed thereunder is amended or repealed by order of the Local Planning Appeal Tribunal or by resolution of Council, the City Treasurer shall calculate forthwith the amount of any overpayment to be refunded as a result of said amendment or repeal.

(2) Refunds that are required to be paid under subsection (1) shall be paid to the registered owner of the land on the date on which the refund is paid.

(3) Refunds that are required to be paid under subsection (1) shall be paid with interest to be calculated as follows:

- (a) interest shall be calculated from the date on which the overpayment was collected to the day on which the refund is paid;
- (b) the refund shall include the interest owed under this section; and
- (c) interest shall be paid at the Bank of Canada rate in effect on the date of enactment of this by-law, updated on the first business day of every January, April, July and October thereafter for the life of this by-law.

14. DEVELOPMENT CHARGE SCHEDULE INDEXING

The development charges referred to in Schedule "B" and Schedule "C" shall be adjusted without amendment to this by-law on December 1 of each year, commencing December 1, 2020, in accordance with section 7 of the Regulation.

15. BY-LAW ADMINISTRATION

This by-law shall be administered by the City Treasurer.

16. SCHEDULES TO THE BY-LAW

The following schedules to this by-law form an integral part of this by-law:

Schedule A - Designated Municipal Services

Schedule B - Schedule of Development Charges for Discounted Services

Schedule C - Schedule of Development Charges for Non-Discounted Services

17. DATE BY-LAW EFFECTIVE

This by-law shall come into force and effect on December 31, 2019. For greater clarity, the development charges set out in this by-law shall apply to any building permit issued on or after December 31, 2019.

18. EXISTING DEVELOPMENT CHARGE BY-LAW REPEAL

By-law 2017-075 is repealed effective the date that this by-law comes into force and effect.

19. SEVERABILITY

- (1) If, for any reason, any provision, section, subsection or paragraph of this by-law is held to be invalid, it is hereby declared to be the intention of Council that all of the remainder of this by-law shall continue in full force and effect until repealed, re-enacted or amended, in whole or in part or dealt with in any other way.
- (2) If any provisions of this By-law conflicts with the Act and its regulations as a result of amendments pursuant to the More Homes, More Choice Act, 2019, then the Act and its regulations shall prevail as necessary.
- (3) For greater certainty, a conflict shall not apply pursuant to subsection (2) where a provision in this By-law is allowed to remain in effect for a prescribed period of time pursuant to the Act or its regulations as amended by the More Homes, More Choice Act, 2019.

20. SHORT TITLE

This by-law may be cited as the "Waterloo Development Charge By-law #2019-____ "

21. NON-BINDING NATURE

Nothing in this by-law shall be construed so as to commit or require the City or its Council to authorize or proceed with any specific capital project at any specific time.

Read a FIRST, SECOND and THIRD time and

FINALLY PASSED this ____ day of December, 2019.

| Approval | Date | Print Name | Initials |
|----------------------|------|------------|----------|
| Legislative Services | | | |
| Legal | | | |
| Finance | | | |

Mayor

City Clerk

SCHEDULE A**to By-law Number 2019-____****DESIGNATED MUNICIPAL SERVICES UNDER THIS BY-LAW****A-1: DISCOUNTED SERVICES**

1. Parks and Major Indoor Recreation Facilities
2. Parking
3. Cemeteries
4. Library Services
5. Growth Studies

A-2: NON-DISCOUNTED SERVICES

1. Roads and Related Works
2. Public Works and Fleet
3. Water Supply and Wastewater Services
4. Stormwater Drainage and Control Services
5. Protective Services
6. Engineering Studies

SCHEDULE B

to By-law Number 2019-____

City of Waterloo
Schedule of Development Charges for Discounted Services

| Service | Residential Charge By Dwelling Unit Type | | | | | Lodging House Per Bedroom | Non- Residential Charge per Square Foot | Non-Residential Charge per Square Metre |
|--|--|----------------------|----------------|----------------|----------------|------------------------------|--|---|
| | Singles & Semis | Apartments | | | Multiples | | | |
| | | 1 Bedroom or Less | 2-3 Bedrooms | 4-5 Bedrooms | | | | |
| Library Services | \$908 | \$325 | \$577 | \$1,120 | \$597 | \$260 | \$0.00 | \$0.00 |
| Parks and Major Indoor Recreation Facilities | \$5,187 | \$1,856 | \$3,298 | \$6,395 | \$3,412 | \$1,485 | \$0.00 | \$0.00 |
| Cemeteries | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0.00 | \$0.00 |
| Parking | \$1,177 | \$421 | \$748 | \$1,451 | \$774 | \$337 | \$0.81 | \$8.72 |
| Growth Studies | \$398 | \$143 | \$253 | \$491 | \$262 | \$114 | \$0.28 | \$3.01 |
| TOTAL CHARGE PER DWELLING UNIT | \$7,670 | \$2,745 | \$4,876 | \$9,457 | \$5,045 | \$2,196 | \$1.09 | \$11.73 |

SCHEDULE C

to By-law Number 2019-____

City of Waterloo
Schedule of Development Charges for Non-Discounted Services

| Service | Residential Charge By Dwelling Unit Type | | | | | Lodging House Per Bedroom | Non- Residential Charge per Square Foot | Non-Residential Charge per Square Metre |
|--|--|----------------------|----------------|----------------|----------------|------------------------------|--|---|
| | Singles & Semis | Apartments | | | Multiples | | | |
| | | 1 Bedroom or Less | 2-3 Bedrooms | 4-5 Bedrooms | | | | |
| Protective Services | \$489 | \$175 | \$311 | \$603 | \$322 | \$140 | \$0.34 | \$3.66 |
| Public Works and Fleet | \$842 | \$301 | \$535 | \$1,038 | \$554 | \$241 | \$0.58 | \$6.24 |
| Roads and Related Services | \$2,763 | \$989 | \$1,757 | \$3,406 | \$1,817 | \$791 | \$1.89 | \$20.34 |
| Water Supply and Wastewater | \$2,504 | \$896 | \$1,592 | \$3,088 | \$1,647 | \$717 | \$1.71 | \$18.41 |
| Stormwater Drainage and Control Services | \$1,226 | \$439 | \$780 | \$1,512 | \$806 | \$351 | \$0.84 | \$9.04 |
| Engineering Studies | \$283 | \$101 | \$180 | \$349 | \$186 | \$81 | \$0.20 | \$2.15 |
| TOTAL CHARGE PER DWELLING UNIT | \$8,107 | \$2,901 | \$5,155 | \$9,996 | \$5,332 | \$2,321 | \$5.56 | \$59.85 |