

# City of Waterloo Development Charges Study



**Statutory Public Meeting**  
**Monday, November 18<sup>th</sup>, 2019**

**HEMSON**  
Consulting Ltd.

THE CITY OF  
**Waterloo**

# What Are Development Charges?

- Fees imposed on development to fund “growth-related” capital costs
- DCs pay for new infrastructure and facilities to maintain service levels
- Principle is “growth pays for growth”

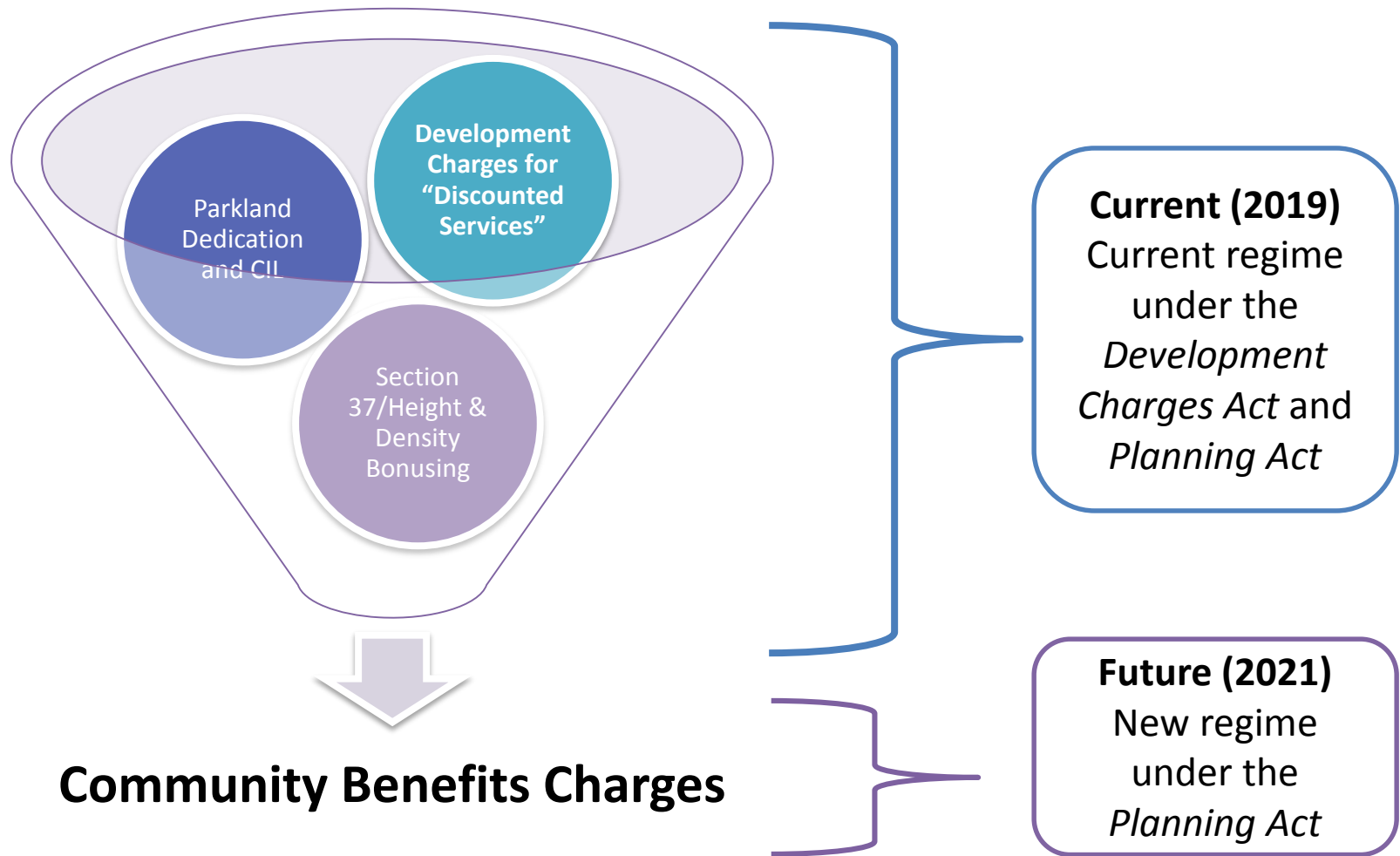
# What Are Development Charges?

- DCs are imposed by by-law
- Maximum life of a DC by-law is 5 years after the day it comes into force (may be repealed/amended earlier)
  - By-law 2017-075 expires on January 1, 2023
  - City initiated early study to align with 3-year budget cycle
- Prior to passing a by-law City must
  - undertake a background study
  - hold at least one public meeting
- Appeals adjudicated at LPAT (OMB)

# Legislative Framework For DCs Is Changing

- *Development Charges Act 1997 (DCA)*  
(amended 2015 by Bill 73)
  - *Ontario Regulation 82/98* (amended 2015 by *O. Reg. 428/15*)
- *Bill 108: More Homes, More Choice Act*
  - Royal assent June 6, 2019
  - Many key amendments won't come into force and effect until a date to be named by proclamation (unknown)
  - Draft Regulations June 21, 2019

# Bill 108 Community Benefits Charge Will Replace Soft Service DCs



# Transition Window

- Transition
  - CBC authority comes into force 1 Jan, 2020
  - Prescribed end date for soft service DCs is 1 Jan 2021
  - Municipalities **can** pass new hard and soft service DCs in 2019
- Regulations still being finalized

# 2019 DC Background Study

- Study released Oct 17, 2019
- Maximum permissible DC rates
- Current City-wide approach maintained based on Council's consideration and recommendation

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## DEVELOPMENT CHARGES BACKGROUND STUDY

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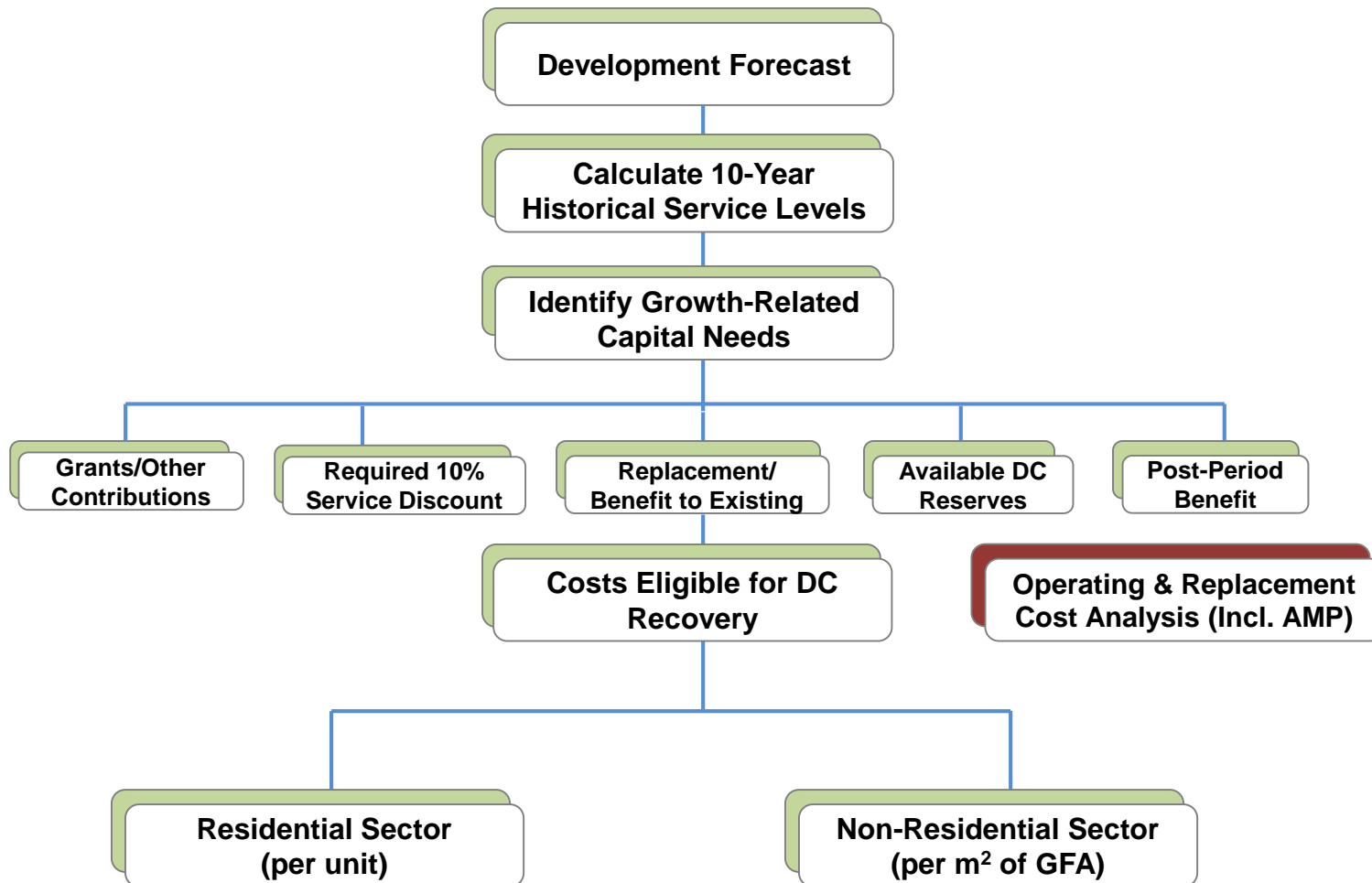
Version for Public Consultation

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**HEMSON** Consulting Ltd

October 17, 2019

# Steps to Calculating DCs





# Development Forecast Based on Region's "Moderate Forecast"

	General Services 2020-2029			Engineered Services 2020-2041	
	At 2019	Growth 2020-2029	At 2029	Growth 2019-2041	At 2041
<b>Residential Forecast</b>					
Dwellings	42,490	7,327	49,816	15,778	58,268
Census Population	133,482	13,597	147,079	26,701	160,183
<i>Population in New Dwellings</i>		20,350		44,311	
<b>Non-Residential Forecast</b>					
Employment	70,625	7,827	78,452	18,375	89,000
New Non-Res Building Space (m <sup>2</sup> )		3,287,340		7,717,500	

Note: Please refer to Appendix A of the 2019 DC Background Study for specific project information.

# Growth-Related Capital Program

- Capital program compiled in consultation with City staff
  - Based on 10-year capital budget and master servicing plans
- Council must express its intent to carry out the works
- Capital costs adjusted in accordance with DC legislation

# Capital Program Summary

## Discounted Services

Service	Gross Cost	LESS					Total DC Eligible Cost
		Grants & Subsidies	Benefit to Existing	10% Reduction	Reserves	Post Period Benefit	
Library Services	\$5,763,791	\$0	\$134,400	\$461,520	\$0	\$441,826	\$4,726,045
Parks & Major Indoor Recreation Facilities	\$56,017,261	\$4,637,072	\$15,597,274	\$3,578,291	\$2,074,788	\$0	\$30,129,835
Cemeteries	\$181,152	\$0	\$162,041	\$1,911	\$17,200	\$0	\$0
Parking	\$16,285,283	\$0	\$0	\$1,628,528	\$4,899,118	\$1,364,356	\$8,393,280
Growth Studies	\$4,292,195	\$0	\$927,573	\$336,462	\$25,459	\$0	\$3,002,700

Note: Please refer to Appendix B of the 2019 DC Background Study for specific project information.

# Capital Program Summary

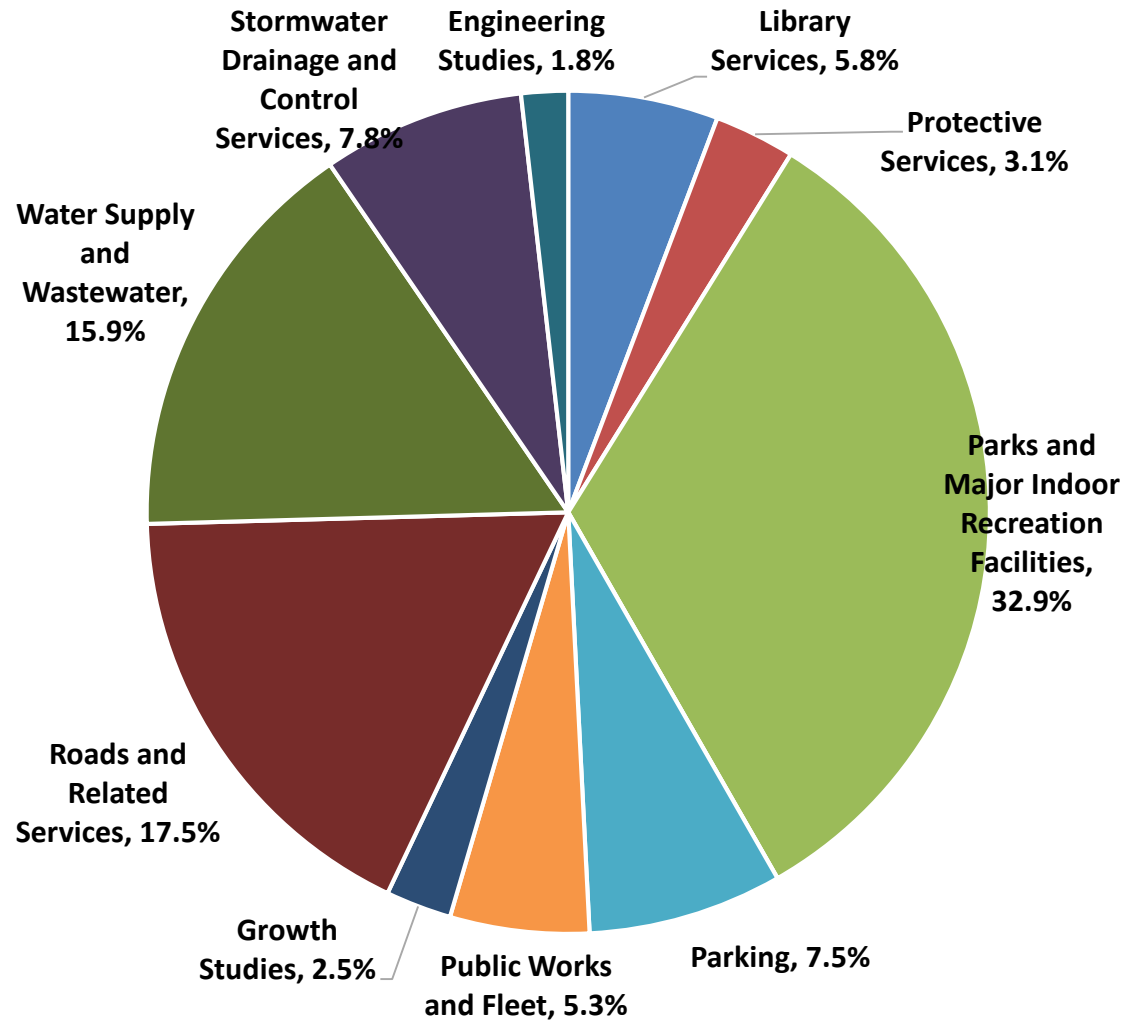
## Non-Discounted Services

Service	Gross Cost	LESS				Total DC Eligible Cost
		Grants & Subsidies	Benefit to Existing	Reserves	Post Period Benefit	
Protective Services	\$11,136,863	\$0	\$0	\$1,168,269	\$6,236,748	\$3,731,847
Public Works & Fleet	\$8,957,991	\$0	\$268,887	\$0	\$2,035,023	\$6,654,080
Roads & Related	\$79,828,824	\$20,963,960	\$21,392,666	\$0	\$0	\$37,472,198
Water Supply & Wastewater	\$64,228,972	\$7,103,259	\$18,459,395	\$4,905,392	\$0	\$33,760,925
Stormwater Drainage & Control	\$41,101,613	\$2,449,704	\$18,006,384	\$3,450,912	\$0	\$17,194,612
Engineering Studies	\$7,029,679	\$194,000	\$2,450,853	\$0	\$0	\$4,384,826

Note: Please refer to Appendices B and C of the 2019 DC Background Study for specific project information.

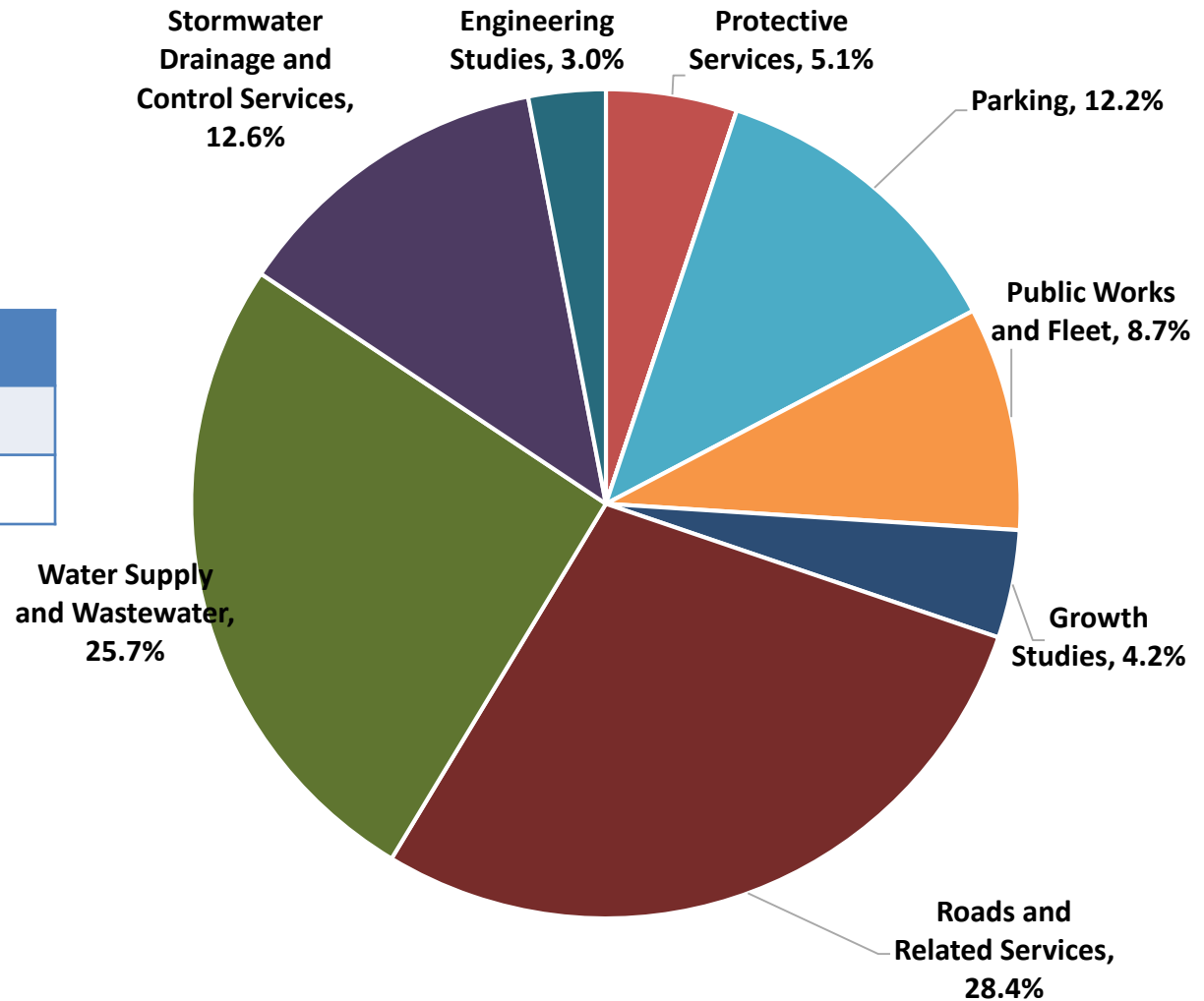
# Calculated City-wide DC Rates Residential

Charge / Unit	
Current	Calculated
<u>Singles &amp; Semis</u>	
\$15,881	\$15,777
<u>Multiples</u>	
\$11,482	\$10,377
<u>Apartment 1 Bedroom or Less</u>	
\$6,108	\$5,646
<u>Apartment 2-3 Bedroom</u>	
\$10,407	\$10,031
<u>Apartment 4-5 Bedroom</u>	
\$21,990	\$19,453
<u>Lodging House Per Bedroom</u>	
\$4,885	\$4,517



# Calculated City-wide DC Rates Non-Residential

Charge / Sq. M.	
Current	Calculated
\$76.49	\$71.58



# Council Direction On Apartment Rate Structure Options

<b>1. Current Rate Structure</b>	<b>1 Bed. or Less</b>	<b>2-3 Bedrooms</b>	<b>4+ Bedrooms</b>
Total charge	\$5,646	\$10,031	\$19,453

<b>2. Single Rate</b>	<b>Apartments</b>
Total charge	\$9,364

<b>3. Two Rates (a)</b>	<b>1 Bed. or Less</b>	<b>2+ Bedrooms</b>
Total charge	\$5,646	\$11,910

<b>4. Two Rates (b)</b>	<b>1-2 Bedrooms</b>	<b>3+ Bedrooms</b>
Total charge	\$7,841	\$16,678

<b>5. Two Rates (c)</b>	<b>1-3 Bedrooms</b>	<b>4+ Bedrooms</b>
Total charge	\$8,684	\$19,453

# Draft DC By-law

- Draft By-law released 1 Nov 2019
- No significant change to DC by-law policies
- Only adjustments are administrative and housekeeping
- Consideration of By-law 16 December
- New rates take effect 31 December