

COUNTY OF RENFREW

ADMINISTRATION DEPARTMENT REPORT ADDENDUM

TO: Finance and Administration Committee
FROM: Craig Kelley, Chief Administrative Officer/Clerk
DATE: August 17, 2023
SUBJECT: Addendum to Administration Report

BY-LAWS

7. By-law to Appoint A Deputy Clerk

Recommendation: THAT the Finance and Administration Committee recommend that County Council adopt a By-law to Appoint a Deputy Clerk for the County of Renfrew.

Background

With the departure of Ms. Rose Gruntz at the end of August, it is prudent to appoint Ms. Gwen Dombroski as Deputy Clerk effective September 1, 2023.

COUNTY OF RENFREW

BY-LAW NUMBER -23

A BY-LAW TO APPOINT A DEPUTY CLERK

WHEREAS Section 228(2) of the Municipal Act, 2001, S.O. 2001, c. 25, as amended, provides that Council may appoint a Deputy Clerk who has all the powers and duties of the Clerk under this and any other Act;

NOW THEREFORE Council of the Corporation of the County of Renfrew hereby enacts as follows:

1. THAT Gwen Dombroski is appointed Deputy Clerk of the County of Renfrew.
2. THAT By-law Number 76-16, being a By-law to Appoint a Deputy Clerk be hereby repealed.
3. That this By-law shall come into force and take effect on September 1, 2023.

READ a first time this 30th day of August 2023.

READ a second time this 30th day of August 2023.

READ a third time and finally passed this 30th day of August 2023.

PETER R. EMON, WARDEN

CRAIG KELLEY, CLERK



County of Renfrew

Development Charges – Finance Committee Meeting
August 17, 2023

Agenda



- Introductions
- Timelines of the Study Process
- Legislative Changes to the D.C.A.
- Development Charges Overview
- D.C. Exemptions
- D.C. Scenarios
- Surveys of D.C. Rates
- Next Steps
- Questions

Development Charges (D.C.)



Purpose:

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



Timelines of the Study Process

County of Renfrew

Timelines of the Study Process



1

April 20, 2022

Development Charges 101 Council Workshop

2

August 2022 – May 2023

County of Renfrew D.C. Start-up Process

- Kickoff meeting, staff interviews, growth forecast development, calculations, and policy review

3

August 17, 2023

Finance Committee Meeting

4

August 30, 2023

Council Workshop Meeting

5

September, 2023

Revise calculations and policies based on feedback from Council and Staff

6

Fall, 2023

Provide D.C. Report to Staff

7

Minimum of 60 Days After the Release of the Report

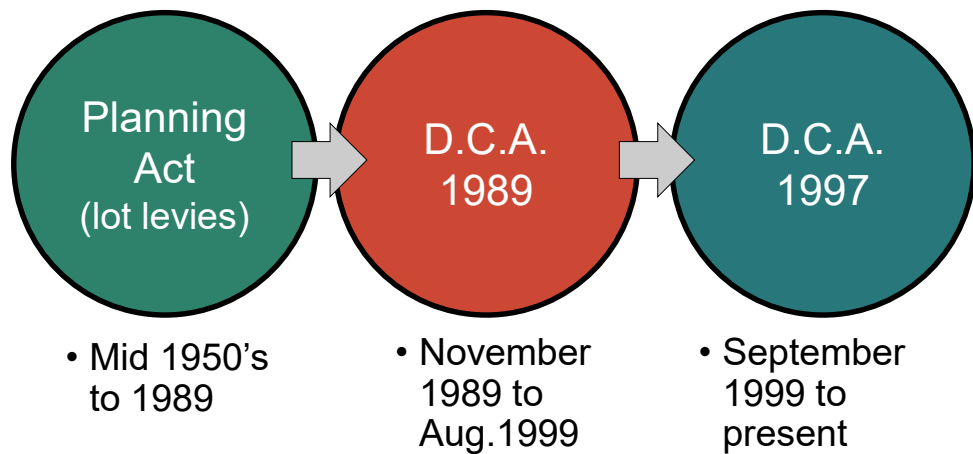
Consideration of the D.C. By-law



Legislative Changes to the D.C.A

County of Renfrew

History of D.C.s



Amendments to D.C.A. 1997

1. Bill 73: January 2016
2. Bill 108: June 2019
3. Bill 138: December 2019
4. Bill 197: July 2020
5. Bill 213: December 2020
6. Bill 109: April 2022
7. Bill 23: November 2022

Recent Changes to the D.C. Legislation



- There were a number of recent changes to the D.C.A. These changes were provided through:
 - Bill 108: *More Homes, More Choice Act*, 2019
 - Provided timing of payment provisions (for Rental Housing, Institutional development, and non-profit housing), D.C. rate freeze for site plan and zoning by-law amendments, and allows for interest to be applied
 - Bill 138: *Plan to Build Ontario Together Act*, 2019
 - Removed instalment payments for commercial and industrial
 - Bill 197: *COVID-19 Economic Recovery Act*, 2020
 - Provides a list of D.C. eligible services, classes of services, and removal of the 10% mandatory deduction and 10-year planning horizon
 - Bill 213: *Better for People, Smarter for Business Act*, 2020
 - Mandatory exemption for universities
 - Bill 109: *More Homes for Everyone Act*, 2022
 - Rules for Annual Treasurer's Statement
 - Bill 23: *More Homes, Built Faster Act*, 2022
 - Summary is provided on the next few slides

Changes to the D.C.A. - Bill 23



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

Changes to the D.C.A. – Bill 23 - continued



Additional DC Exemptions:

- **Affordable Rental Unit:** Where rent is no more than 80% of the average market rent, **as defined by a new Bulletin**, published by the Ministry of Municipal Affairs and Housing.
 - **Affordable Owned Unit:** Where the price of the unit is no more than 80% of the average purchase price, **as defined by a new Bulletin**, published by the Ministry of Municipal Affairs and Housing.
 - **Attainable Unit:** Excludes affordable units and rental units, **will be defined as prescribed development or class of development** and sold to a person who is at “arm’s length” from the seller.
 - Note: for affordable and attainable units, the municipality shall enter into an agreement which ensures the unit remains affordable or attainable for 25 years.
-
- **Inclusionary Zoning Units:** Affordable housing units required under inclusionary zoning by-laws
 - **Non-Profit Housing:** Non-profit housing units are exempt from D.C. installment. Outstanding installment payments due after this section comes into force will also be exempt from payment of D.C.s.
 - **Additional Residential Unit Exemptions** (units in existing rental buildings, 2nd and 3rd units in existing and new singles, semis, and rowhouses)

Currently
NOT in
force

Currently
in force

Changes to the D.C.A. – Bill 23 - continued



D.C. Discounts:

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

D.C. Revenue Reduction:

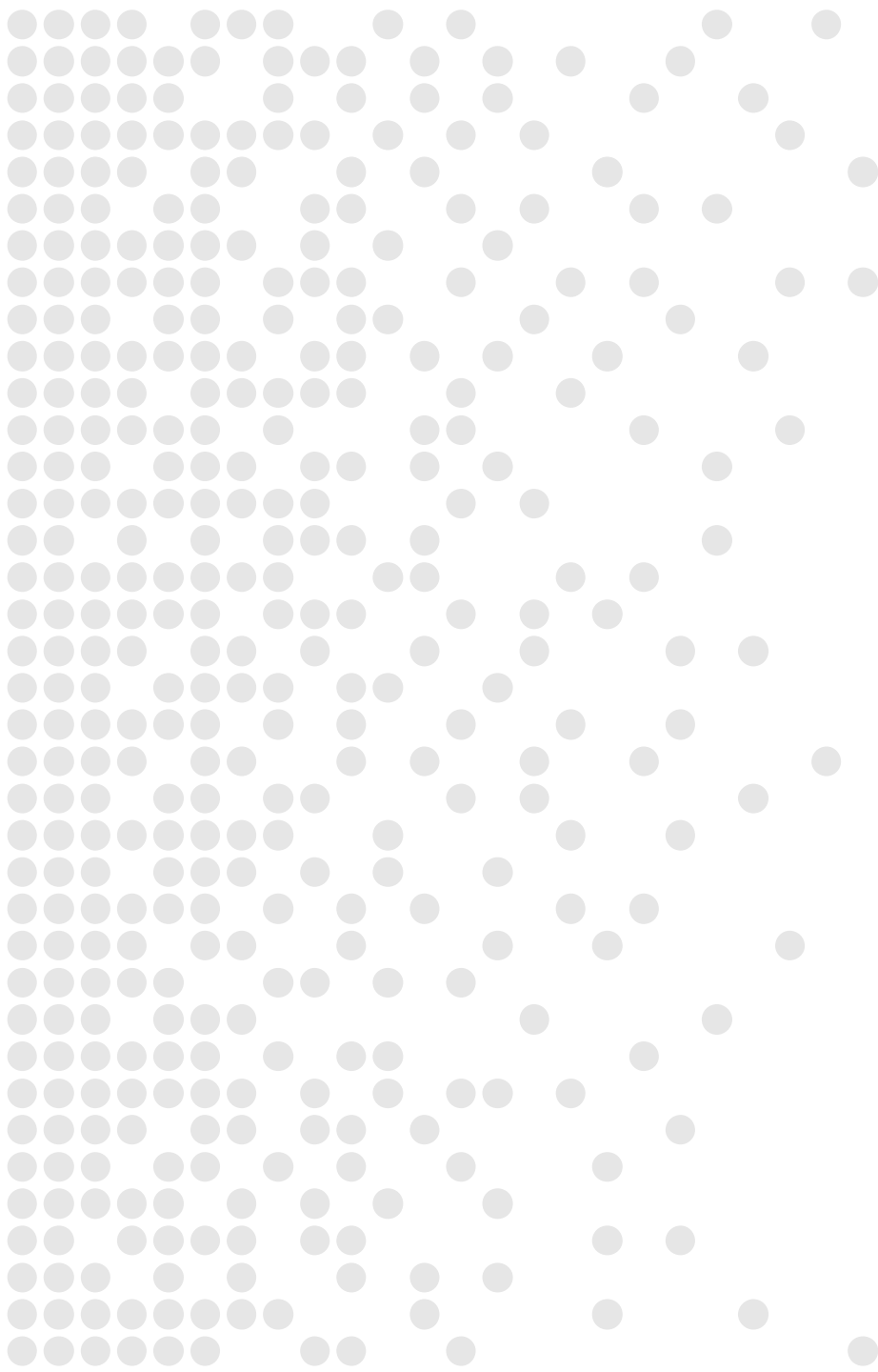
- Removal of Housing as an Eligible D.C. Service
- Capital Cost Amendments (restrictions to remove studies and land)
- Mandatory Phase-In of D.C. (Maximum charge of 80%, 85%, 90%, 95%, 100% for first 5 Years of the by-law) - These rules apply to a D.C. by-law passed on or after January 1, 2022
- Historical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

Changes to the D.C.A. – Bill 23 – continued.



D.C. Administration:

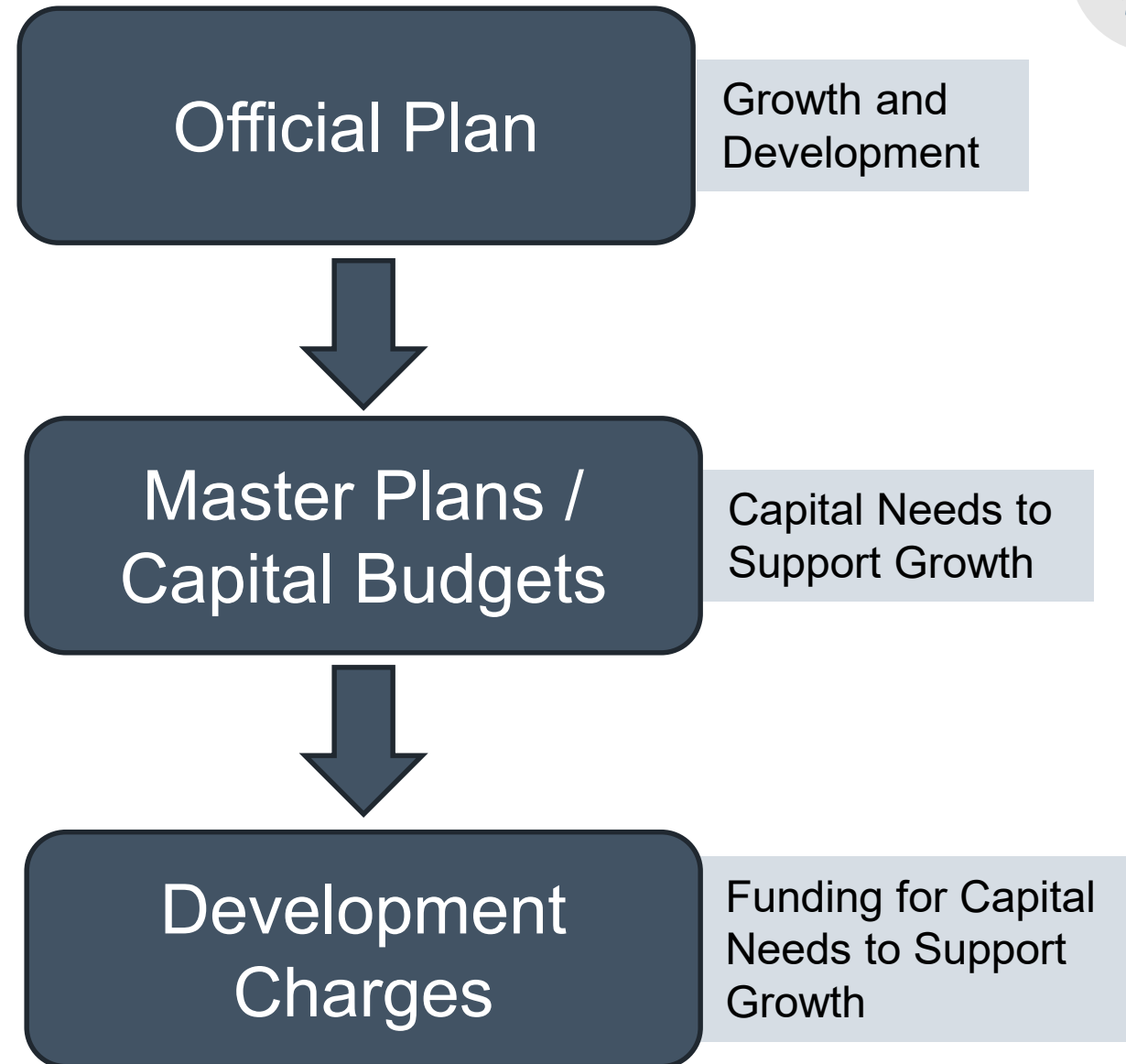
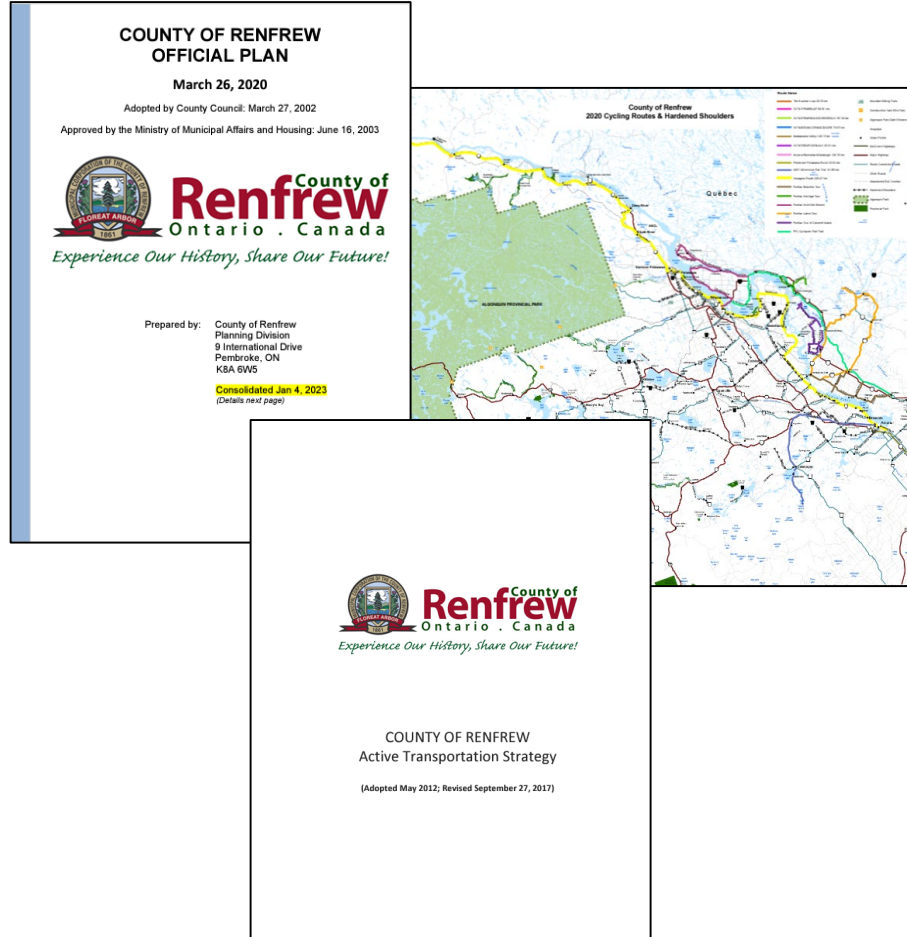
- Maximum Interest Rate for Installments and D.C. Freeze (maximum interest rate would be set at the average prime rate plus 1%)
- Requirement to Allocate 60% of the monies in the reserve funds for Water, Wastewater, and Services Related to a Highway
- D.C. by-law expiry extended to 10 years



Development Charges Overview

County of Renfrew

Municipal Financial Planning Framework



Methodology

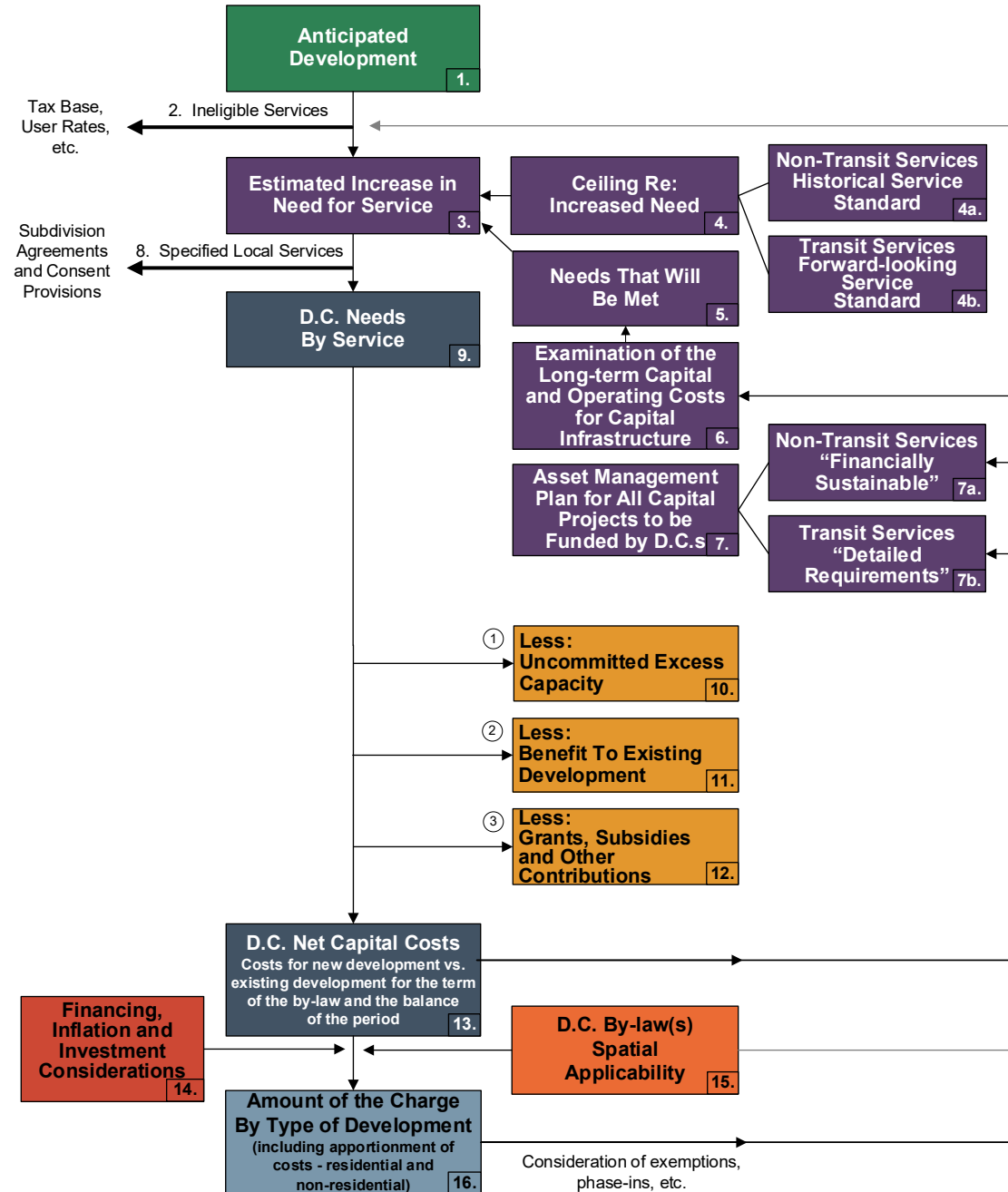


The following provides the overall methodology to calculating the charge:

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

***Amended as per Bill 23**

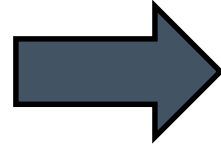
The Process of Calculating a Development Charge under the Act that must be followed



Overview of the D.C. Calculation

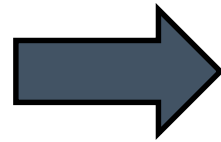


Cost of Infrastructure
Required to
Accommodate
Growth



\$

Residential and Non-
residential Growth



Development Charge
per Unit
(for Residential Growth)



Development
Charges

Development Charge
per Sq.ft.
(for Non-residential
Growth)

D.C. Eligible Services



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

D.C. eligible services being considered for the County's D.C. By-law.

***Amended as per Bill 23**

Growth Forecast Summary



Measure	County-Wide 13-Year 2023 to 2036
(Net) Population Increase	10,093
Residential Unit Increase	5,789
Non-Residential Gross Floor Area Increase (sq.ft.)	2,540,100

Service Standards



- Service standard measure provides a ceiling on the level of the charge which can be imposed
- D.C.A., 1997, as amended, provides that the ceiling is based on the “average of the past **15 years**”
- The D.C.A. requires a detailed review of service levels and requires consideration of both “quantity” and “quality” measures
- This involves reviewing the capital inventories in detail over the past **15 years**
- Note that this measure does not apply to water, wastewater, storm water and Transit (which now has a forward-looking service standard)

***Amended as per Bill 23**

Service Standard Worksheet



County of Renfrew Service Standard Calculation Sheet

Service: Services Related to a Highway - Roads
Unit Measure: km of roadways

Description	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 Value (\$/km)
R4 (Rural Freeway)	6.23	6.23	6.23	6.23	6.23	6.23	6.23	6.23	6.23	6.23	6.23	6.23	6.23	6.23	6.23	\$1,560,000
U4 (Urban Freeway / Major Arterial)	2.03	2.03	2.03	2.03	2.03	2.03	2.03	2.03	2.03	2.03	2.03	2.03	2.03	2.03	2.03	\$2,588,000
R3 (Rural Arterial)	14.92	14.92	14.92	14.92	14.92	14.92	14.92	14.92	14.92	14.92	14.92	14.92	14.92	14.92	14.92	\$1,560,000
U3 (Urban Minor Arterial)	7.26	7.26	7.26	7.26	7.26	7.26	7.80	7.80	7.80	7.80	7.80	7.80	7.80	7.80	7.80	\$2,588,000
R2 (Rural Collector)	364.98	364.98	364.98	364.98	364.98	364.98	365.68	365.68	365.68	365.68	365.68	365.68	365.68	365.68	365.68	\$1,450,000
U2 (Urban Collector)	13.76	13.76	13.76	13.76	13.76	13.76	14.70	14.70	14.70	14.70	14.70	14.70	14.70	14.70	14.70	\$2,207,000
R1 (Rural Local)	404.90	404.90	404.90	404.90	404.90	404.90	404.90	404.90	404.90	404.90	404.90	404.90	404.90	404.90	404.90	\$1,300,000
U1 (Urban Local)	2.34	2.34	2.34	2.34	2.34	2.34	2.34	2.34	2.34	2.34	2.34	2.34	2.34	2.34	2.34	\$2,207,000
Total	816.42	816.42	816.42	816.42	816.42	816.42	818.60	818.60	818.60	818.60	818.60	818.60	818.60	818.60	818.60	

Population	108,106	108,190	108,214	108,509	109,323	109,966	110,621	111,052	111,563	111,511	112,014	112,023	112,119	112,381	114,039
Per Capita Standard	0.0076	0.0075	0.0075	0.0075	0.0075	0.0074	0.0074	0.0074	0.0073	0.0073	0.0073	0.0073	0.0073	0.0073	0.0072

15 Year Average	2008-2022
Quantity Standard	0.0074
Quality Standard	\$1,405,936
Service Standard	\$10,404

D.C. Amount (before deductions)	13 Year
Forecast Population	10,093
\$ per Capita	\$10,404
Eligible Amount	\$105,006,865

Service Standard Worksheet Continued



County of Renfrew Service Standard Calculation Sheet

Service: Services Related to a Highway - Roads
Unit Measure: Value of roadways (\$)

Description	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
R4 (Rural Freeway)	9,718,800	9,718,800	9,718,800	9,718,800	9,718,800	9,718,800	9,718,800	9,718,800	9,718,800	9,718,800	9,718,800	9,718,800	9,718,800	9,718,800	9,718,800
U4 (Urban Freeway / Major Arterial)	5,253,640	5,253,640	5,253,640	5,253,640	5,253,640	5,253,640	5,253,640	5,253,640	5,253,640	5,253,640	5,253,640	5,253,640	5,253,640	5,253,640	5,253,640
R3 (Rural Arterial)	23,275,200	23,275,200	23,275,200	23,275,200	23,275,200	23,275,200	23,275,200	23,275,200	23,275,200	23,275,200	23,275,200	23,275,200	23,275,200	23,275,200	23,275,200
U3 (Urban Minor Arterial)	18,788,880	18,788,880	18,788,880	18,788,880	18,788,880	18,788,880	20,186,400	20,186,400	20,186,400	20,186,400	20,186,400	20,186,400	20,186,400	20,186,400	20,186,400
R2 (Rural Collector)	529,221,000	529,221,000	529,221,000	529,221,000	529,221,000	529,221,000	530,236,000	530,236,000	530,236,000	530,236,000	530,236,000	530,236,000	530,236,000	530,236,000	530,236,000
U2 (Urban Collector)	30,368,320	30,368,320	30,368,320	30,368,320	30,368,320	30,368,320	32,442,900	32,442,900	32,442,900	32,442,900	32,442,900	32,442,900	32,442,900	32,442,900	32,442,900
R1 (Rural Local)	526,370,000	526,370,000	526,370,000	526,370,000	526,370,000	526,370,000	526,370,000	526,370,000	526,370,000	526,370,000	526,370,000	526,370,000	526,370,000	526,370,000	526,370,000
U1 (Urban Local)	5,164,380	5,164,380	5,164,380	5,164,380	5,164,380	5,164,380	5,164,380	5,164,380	5,164,380	5,164,380	5,164,380	5,164,380	5,164,380	5,164,380	5,164,380
Total	1,148,160,220	1,148,160,220	1,148,160,220	1,148,160,220	1,148,160,220	1,148,160,220	1,152,647,320	1,152,647,320	1,152,647,320	1,152,647,320	1,152,647,320	1,152,647,320	1,152,647,320	1,152,647,320	1,152,647,320
Population	108,106	108,190	108,214	108,509	109,323	109,966	110,621	111,052	111,563	111,511	112,014	112,023	112,119	112,381	114,039
Per Capita Standard	10,621	10,612	10,610	10,581	10,502	10,441	10,420	10,379	10,332	10,337	10,290	10,289	10,281	10,257	10,107
15 Year Average	2008-2022														
Service Standard \$ per Capita	\$10,404														

Capital Costs



- Capital Cost Definition has been broadened to include:
 - **Acquire land or interest in land**
 - Improve land
 - Acquire, lease, construct or improve buildings, facilities and structures (includes furniture and equipment)
 - Equipment and rolling stock
 - Capital component of a lease for the above
 - Circulation materials for Libraries
 - Interest on money borrowed to pay for the above
- Any planning horizon for future capital needs can be used, except for Transit (which is limited to 10 years)
- Capital costs must be reduced by grants, subsidies and other contributions.
- May include authorized costs incurred or proposed to be incurred by others on behalf of a municipality/local board

Limitations on Capital



- Certain Capital Costs may not be included:
 - Parkland Acquisition
 - Vehicle & Equipment with avg. life of <7 years
 - Computer Equipment that is not integral to the delivery of the services
 - Studies
 - Possible removal of land acquisition for services (yet to be defined by the regulations)

Capital Program for 2023 Study

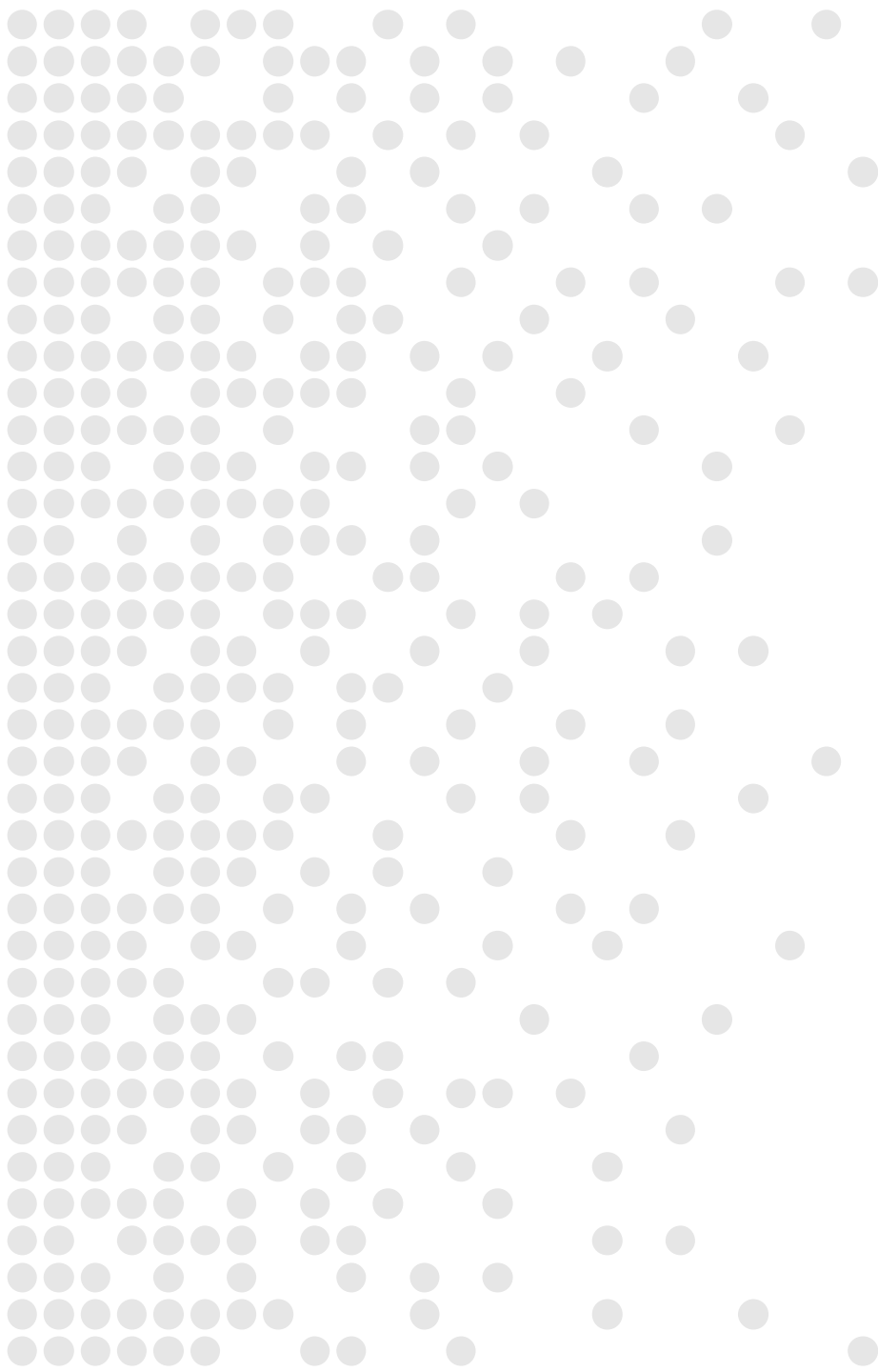


Increased Service Needs Attributable to Anticipated Development 2023-2036	Gross Capital Cost Estimate (2023\$)	Post Period Benefit	Other Deductions	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
					Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non- Residential Share
								74%	26%
Services Related to a Highway - Roads and Related	54,549,000	3,148,500	-	51,400,500	18,740,200	748,000	31,912,300	23,615,102	8,297,198
Services Related to a Highway - Public Works (Facilities, Fleet, and Equipment)	1,760,000	-	-	1,760,000	-	-	1,760,000	1,302,400	457,600
Total	56,309,000	3,148,500	-	53,160,500	18,740,200	748,000	33,672,300	24,917,502	8,754,798

Local Service Policies



- Section 59.1(1) and (2) of the Act “No Additional Levies” - prohibits municipalities from imposing additional payments or requiring construction of a service not authorized under the D.C.A., therefore, need to be clear:
 - What will be included in the D.C.; and
 - What will be required by developers as part of their development agreements
- Items considered in Local Service Policies may include:
 - Local, rural, collector & arterial roads,
 - Intersection improvements & traffic signals,
 - Streetlights & sidewalks,
 - Bike Routes/Bike Lanes/Bike Paths/Multi-Use
 - Trails/Naturalized Walkways,
 - Noise Abatement Measures,
 - Land dedications/easements,
 - Water, Wastewater & Stormwater, and
 - Park requirements.



D.C. Exemptions

County of Renfrew

Mandatory Exemptions



Mandatory Exemptions

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

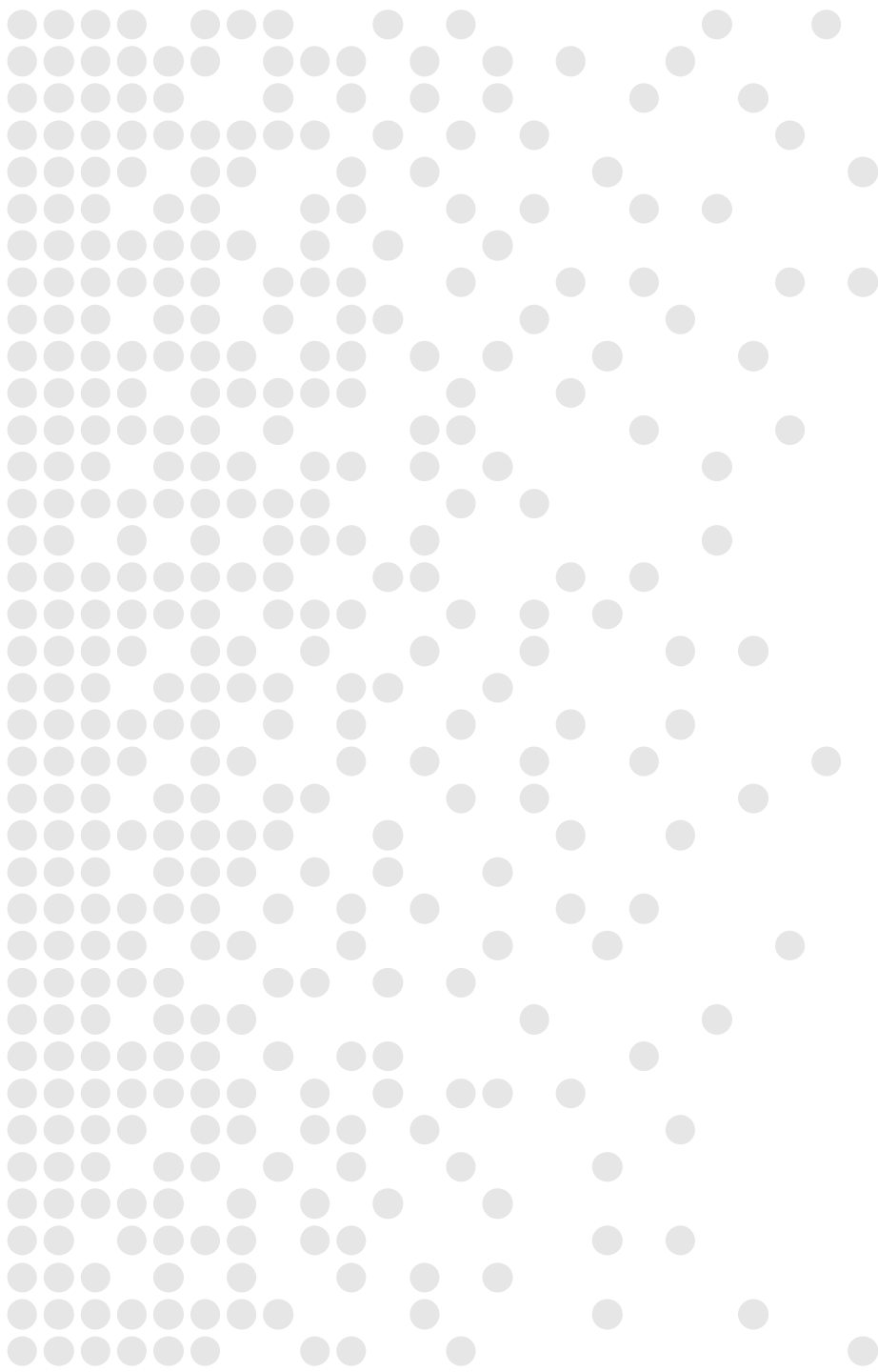
Discretionary Exemptions

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

Common Discretionary Exemptions



- Places of worship
- Bona fide farm buildings (but not the house)
- Industrial development
- Downtowns or infill development
- Brownfield redevelopment
- Hospitals



D.C. Scenarios

County of Renfrew

D.C. Scenarios



- Through working with Staff, we have calculated two D.C. scenarios:
 - Scenario 1 – County-Wide D.C.
 - Scenario 2 – Corridor-Area Specific D.C.

Scenario 1 – County-Wide D.C.



The assumptions include:

- The capital program is to be recovered on a County-wide basis
- This D.C. would apply to all residential and non-residential developments within the County

Scenario 2 – Corridor-Area Specific D.C.



The assumptions include:

- The following County Municipalities located along the Trans-Canada Highway (Hwy 417) are included as part of the Corridor-Area Specific calculations due to their proximity to the planned capital works
- All the identified capital is to be recovered on a Corridor-Area Specific basis
- A deduction of 5% was made to the gross capital costs to account for the potential benefit of the capital works by growth within the non-corridor municipalities
- Should the County choose this scenario, the 5% deduction will need to be funded from taxes, rates, or other non-D.C. sources
- This area-specific D.C. would only apply to residential and non-residential developments within the corridor municipalities

Corridor Municipalities:

1. Town of Arnprior
2. Township of McNab/Braeside
3. Town of Renfrew
4. Township of Horton
5. Township of Whitewater Region
6. Township of Laurentian Valley
7. Town of Petawawa
8. Town of Laurentian Hills
9. Town of Deep River

Rate Comparison



Scenario 1 – County-Wide D.C.

Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Multiples	Apartments - 2 Bedrooms +	Apartments - Studio and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)
County Wide Services:						
Services Related to a Highway	4,759	3,907	2,883	2,170	1,913	3.45
Total County-Wide Services	4,759	3,907	2,883	2,170	1,913	3.45

Scenario 2 – Corridor-Area Specific D.C.

Service	RESIDENTIAL					NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Multiples	Apartments - 2 Bedrooms +	Apartments - Studio and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)
Corridor Area-Specific Services:						
Services Related to a Highway	5,647	4,636	3,421	2,575	2,270	3.55
Total Corridor Area-Specific Services	5,647	4,636	3,421	2,575	2,270	3.55

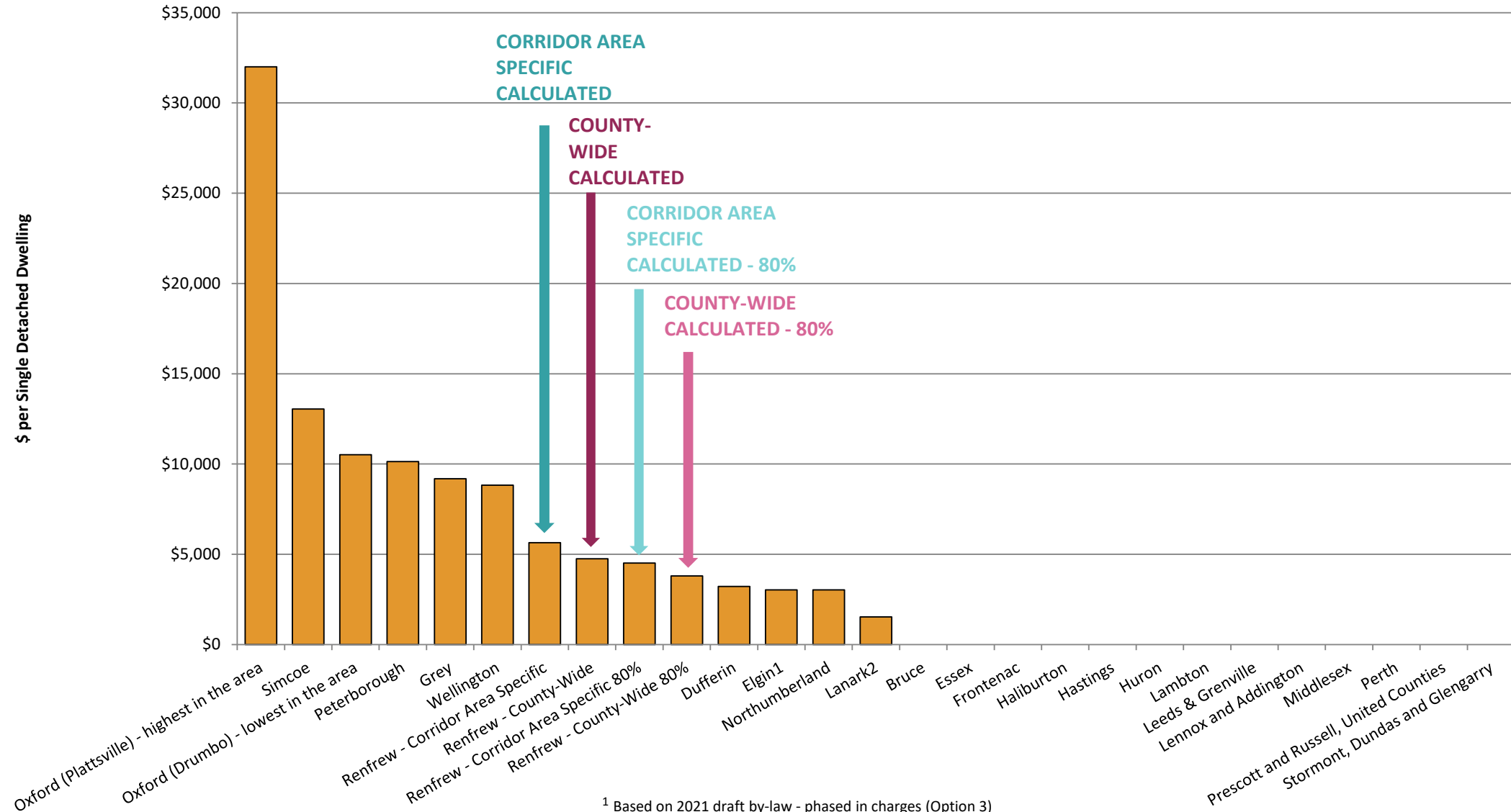


Surveys of D.C. Rates

County of Renfrew

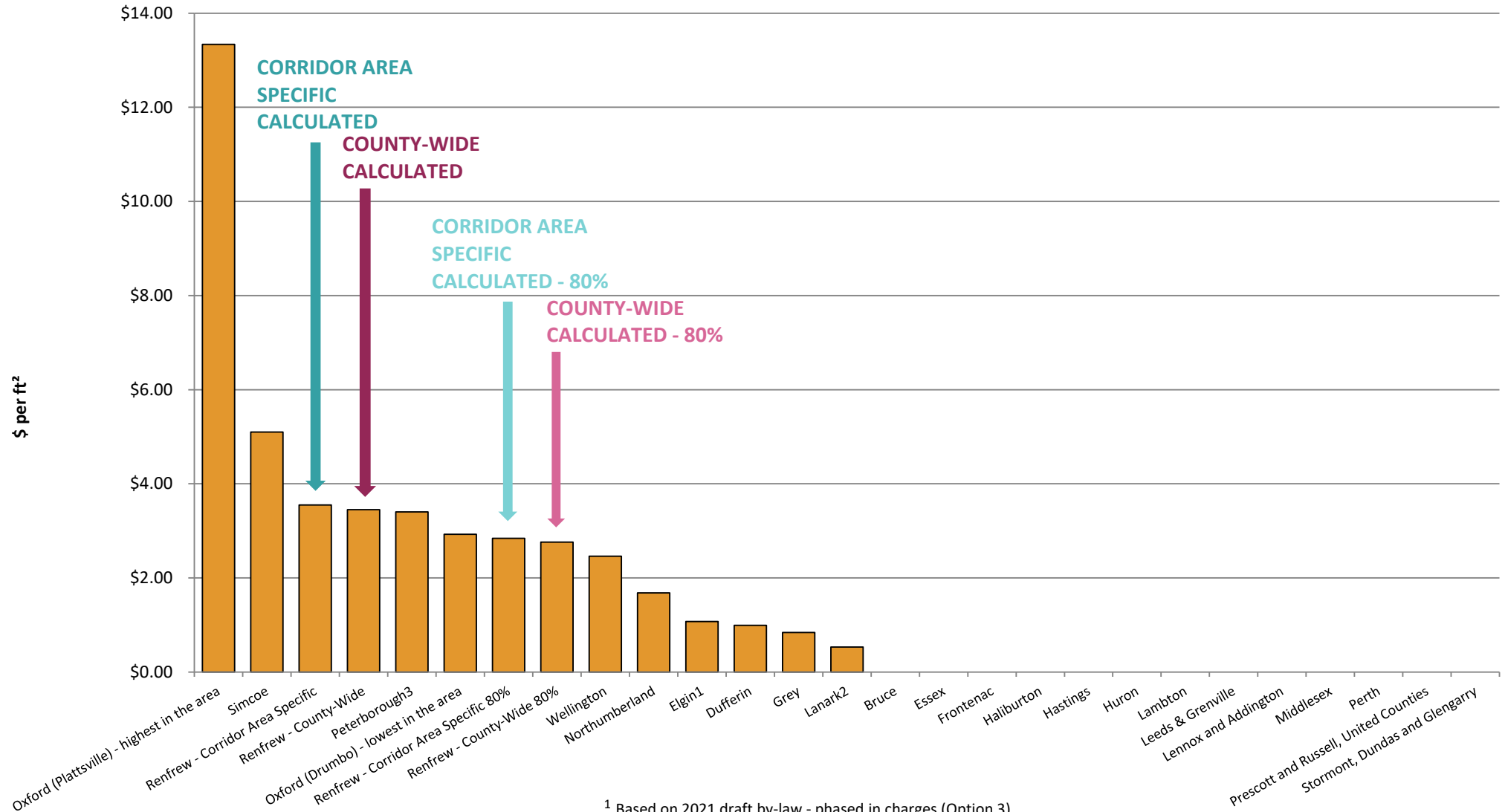
Development Charge Rates for Ontario Counties

Single Detached and Semi-Detached Dwellings



Development Charge Rates for Ontario Counties

Commercial Development - per sq.ft.



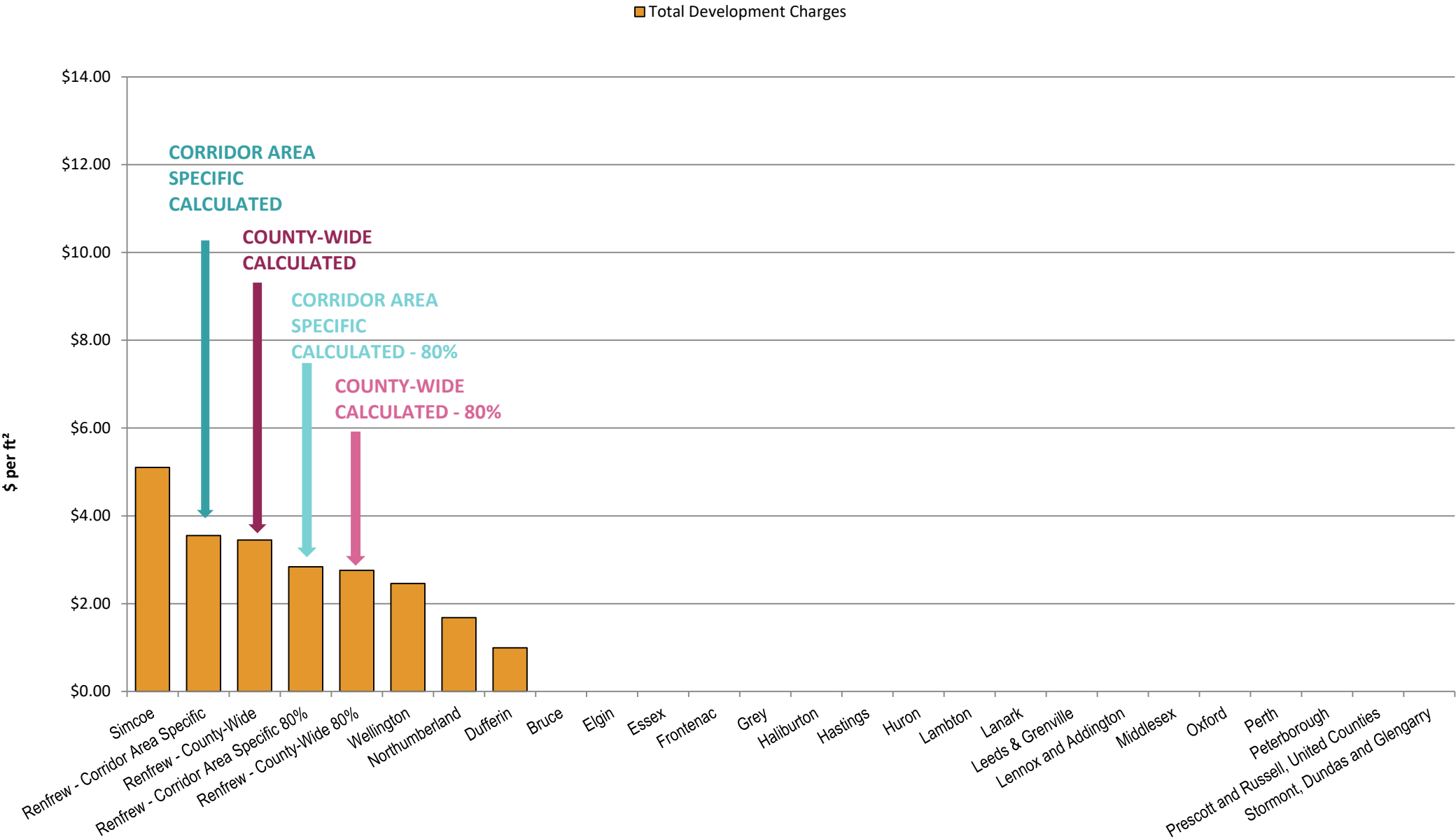
¹ Based on 2021 draft by-law - phased in charges (Option 3)

² 2021 Rate

³ for development > 250 sq.m.

Development Charge Rates Ontario Counties

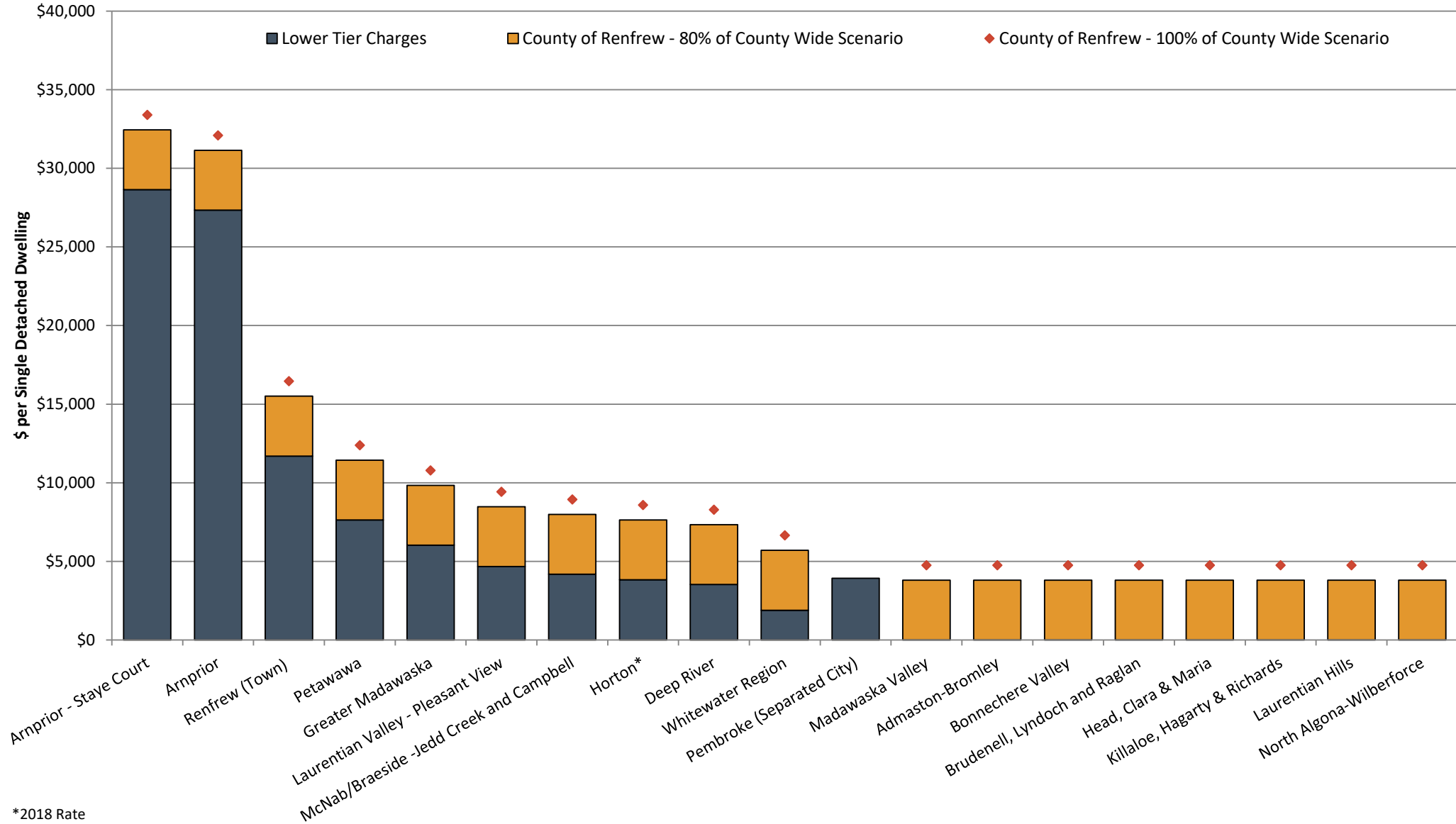
Industrial Development - per sq.ft.



Development Charge Rates for Municipalities in Renfrew County

Scenario 1 - County-Wide D.C.

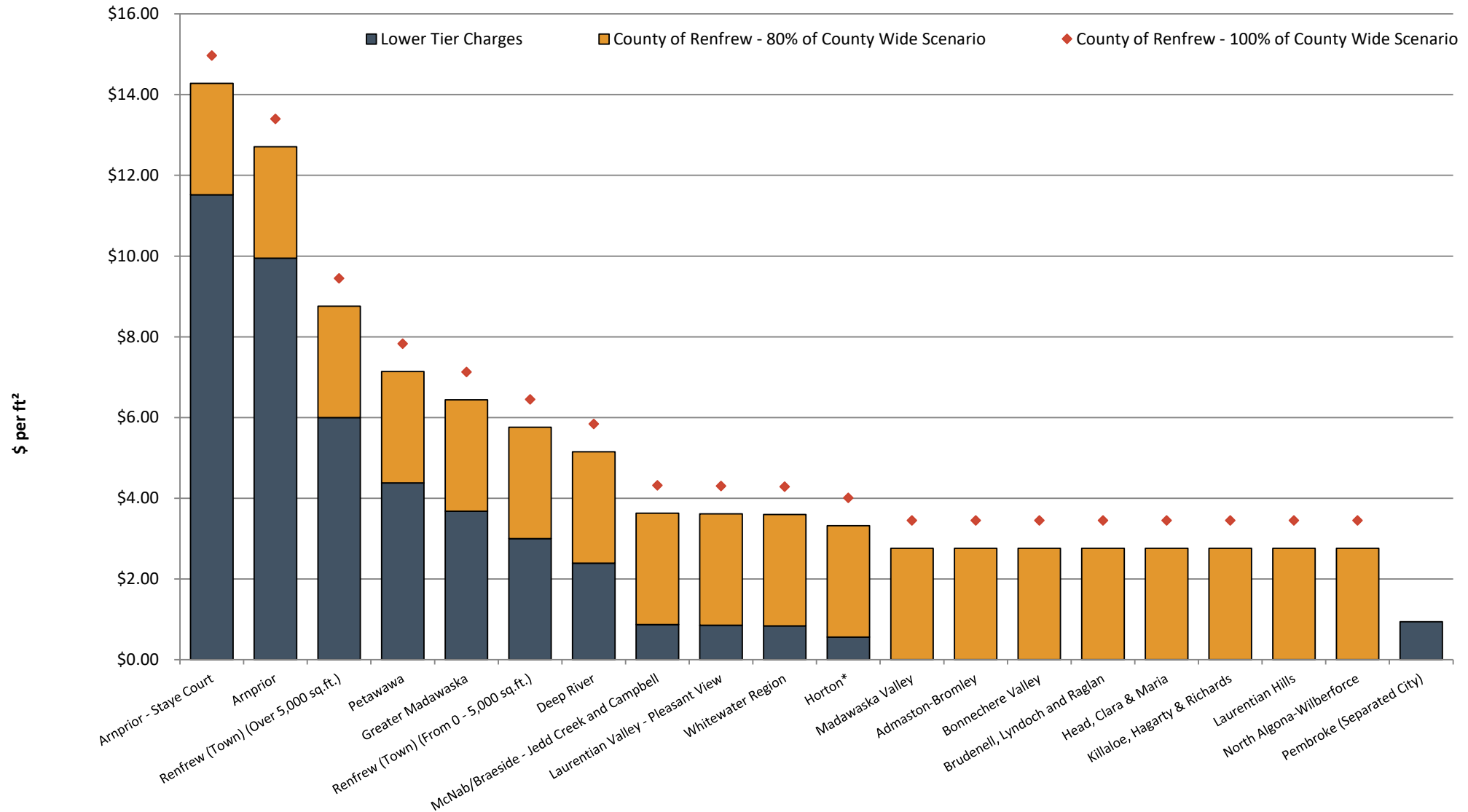
Single Detached and Semi-Detached Dwellings



Development Charge Rates for Municipalities in Renfrew County

Scenario 1 - County-Wide D.C.

Commercial Development - per sq.ft.

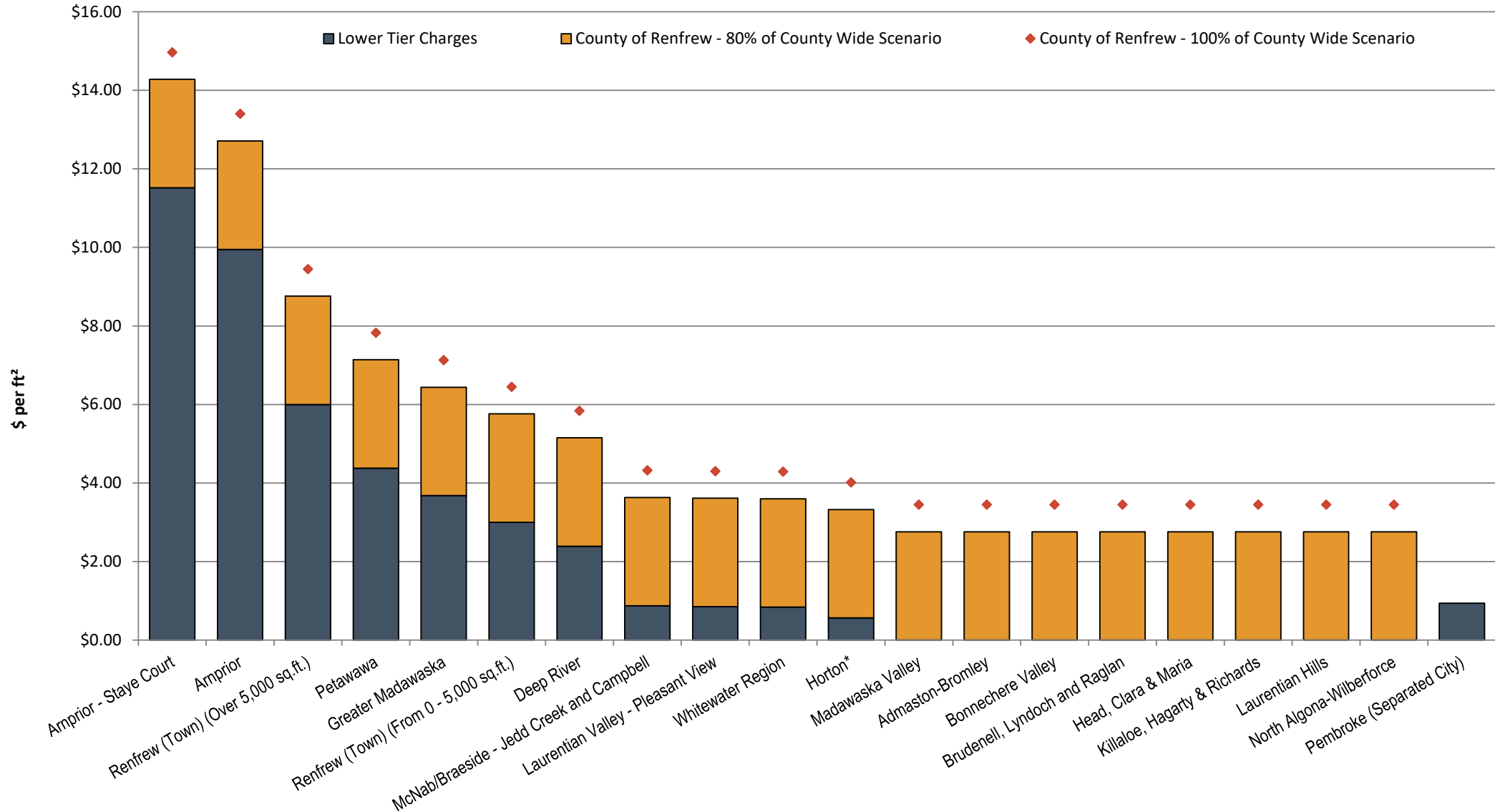


*2018 Rate

Development Charge Rates for Municipalities in Renfrew County

Scenario 1 - County-Wide D.C.

Industrial Development - per sq.ft.

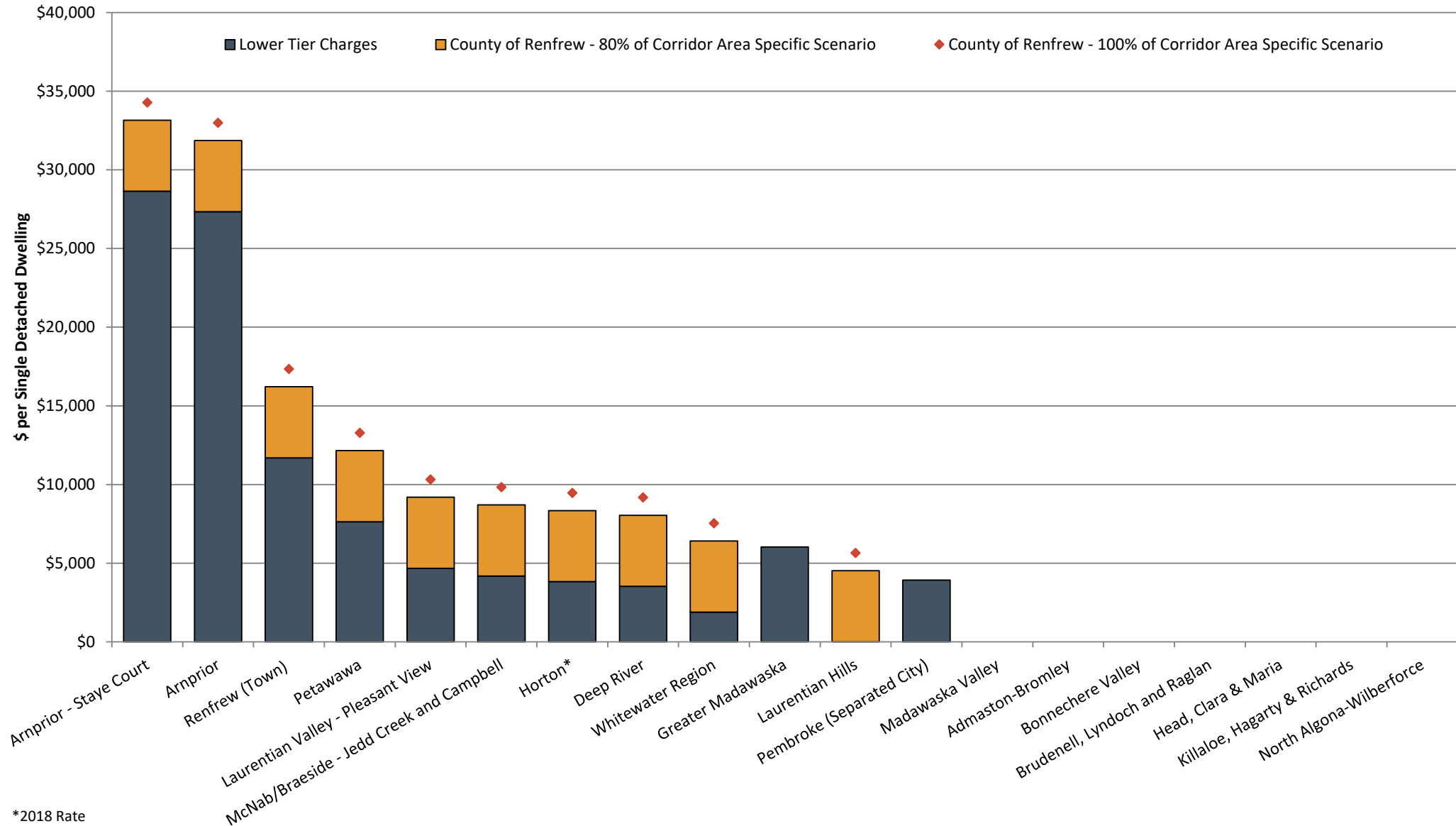


*2018 Rate

Development Charge Rates for Municipalities in Renfrew County

Scenario 2 - Corridor Area Specific D.C.

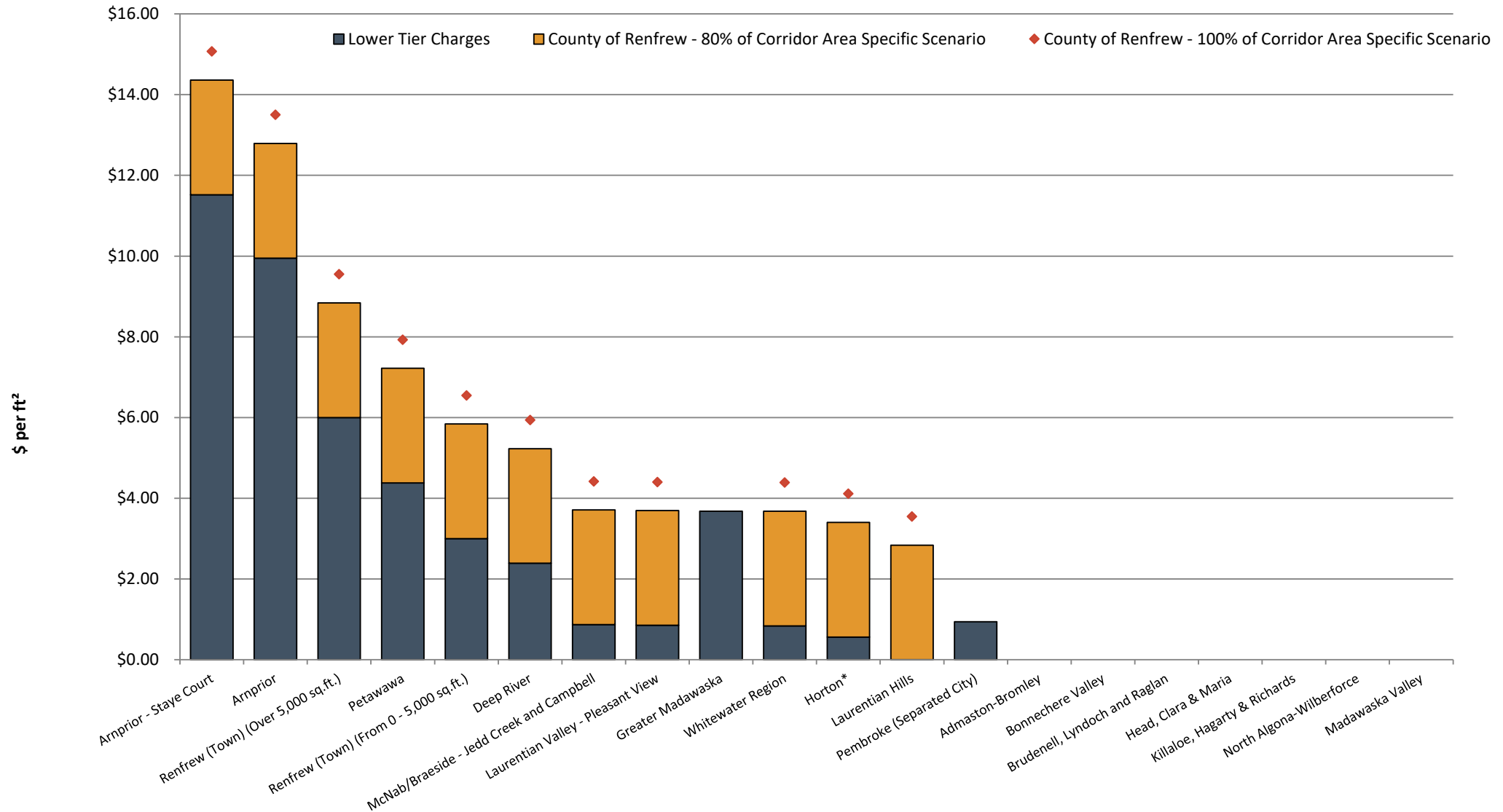
Single Detached and Semi-Detached Dwellings



Development Charge Rates for Municipalities in Renfrew County

Scenario 2 - Corridor Area Specific D.C.

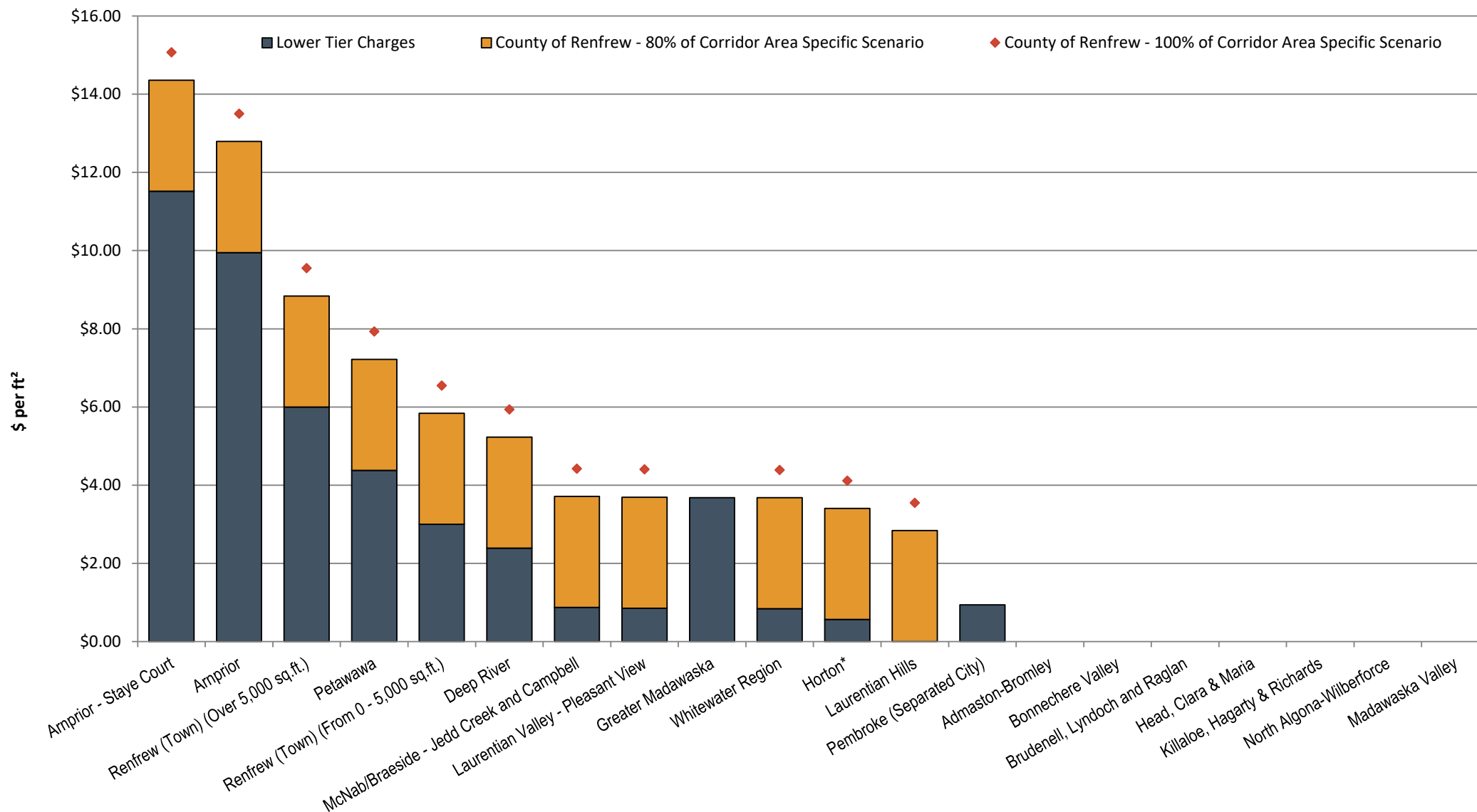
Commercial Development - per sq.ft.



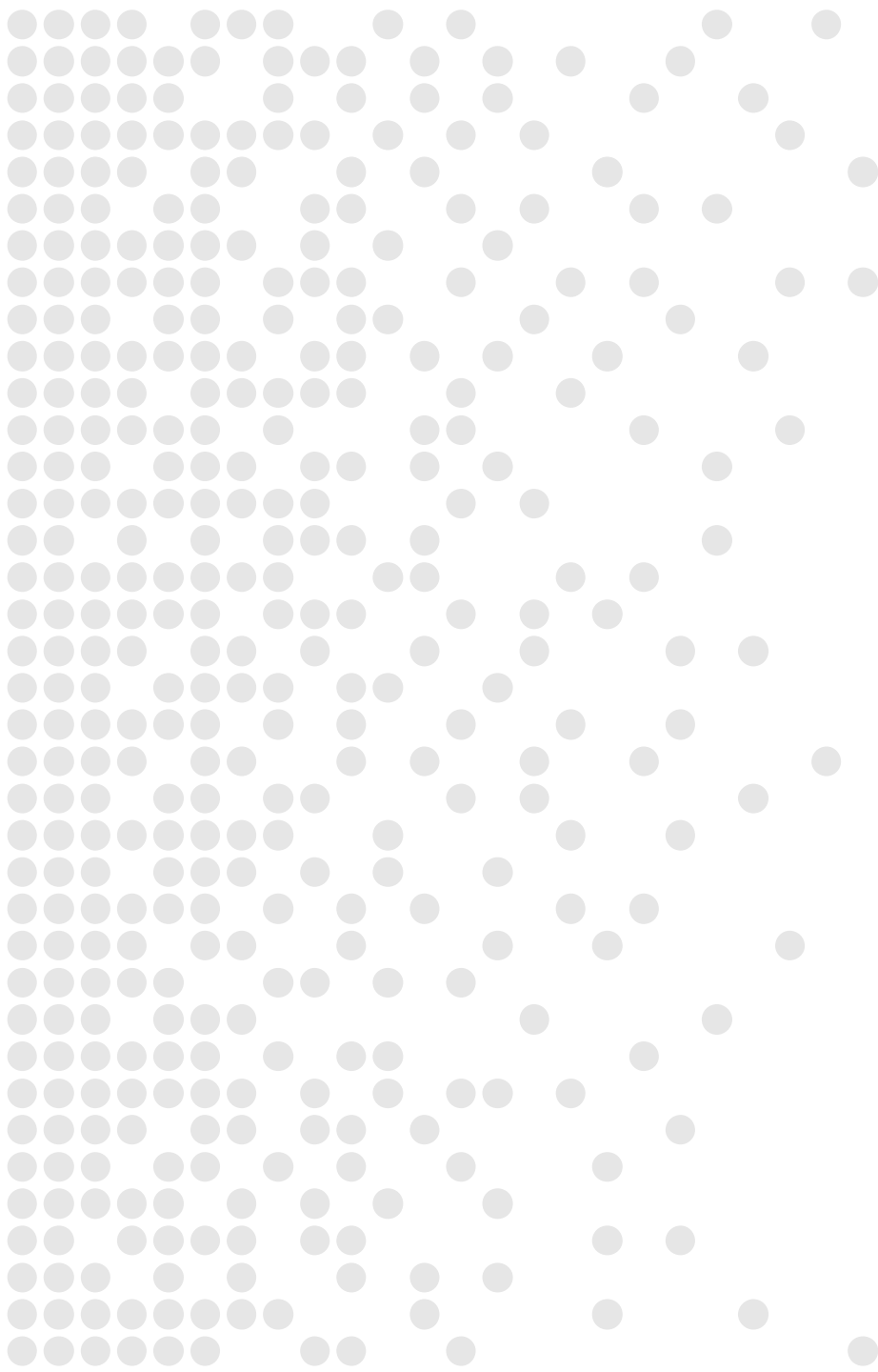
Development Charge Rates for Municipalities in Renfrew County

Scenario 2 - Corridor Area Specific D.C.

Industrial Development - per sq.ft.



*2018 Rate



Next Steps

County of Renfrew

Next Steps



April 20, 2022

Development Charges 101 Council Workshop



August 2022 – May 2023

County of Renfrew D.C. Start-up Process

- Kickoff meeting, staff interviews, growth forecast development, calculations, and policy review



August 17, 2023

Finance Committee Meeting



August 30, 2023

Council Workshop Meeting



September, 2023

Revise calculations and policies based on feedback from Council and Staff



Fall 2023

Provide D.C. Report to Staff



Minimum of 60 Days After the Release of the Report

Consideration of the D.C. By-law

Questions

