

A stone sign for Halton Hills Town Hall is visible in the background. The sign is made of two stacked cylindrical stone blocks. The top block features the town crest, which is a shield with a blue and gold design. The bottom block has the words 'HALTON HILLS' and 'TOWN HALL' engraved in a bold, sans-serif font. The sign is surrounded by green bushes and trees, with a building and a road visible in the distance.

Town of Halton Hills Development Charges Background Study

Statutory Public Meeting

May 2, 2022

Introduction



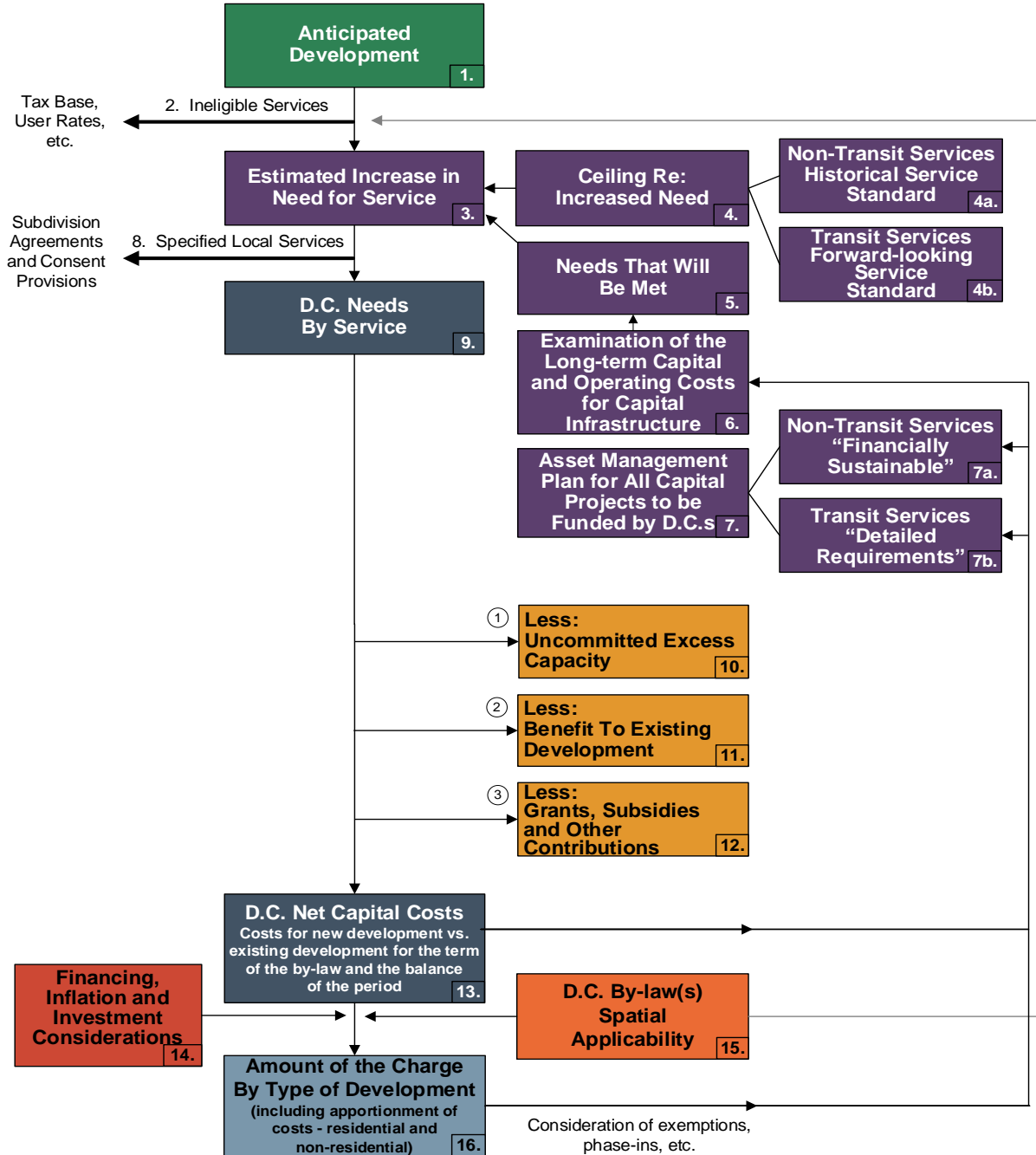
- Town of Halton Hills' Development Charges (D.C.) By-Law 2017-0049, as amended by By-law 2017-0073, came into effect on September 1, 2017 and expires August 31, 2022
- Under the requirements of the *Development Charges Act, 1997*, as amended (D.C.A.), before passing a D.C. by-law, Council must:
 - prepare a background study;
 - Make the background study available to the public at least 2 weeks before the public meeting, and 60 days prior to by-law passage on the municipal website; and
 - Hold a public meeting.

Process Undertaken to Date



- The Town's 2022 D.C. Background Study was prepared and posted on the Town's website on April 15, 2022
- This meeting is a statutory public meeting under the D.C.A. to provide a review of the D.C. proposal and to receive public input on the proposed policies and charges
- Prior to this meeting, the Town also undertook:
 - Two development industry stakeholders' meetings (September 2021 & March 2022)
 - Council workshop (February 2022)

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





D.C. Growth Forecast Summary

Town-Wide Residential and Non-Residential Growth

- Growth forecast has been prepared based on:
 - Region of Halton Integrated Growth Management Study (2018);
 - Regional Official Plan Amendment 38 (2011);
 - Best Planning Estimates of Population and Employment; and
 - Information provided by the Town of Halton Hills

Time Horizon	Residential		Non-Residential ¹	
	Net Population	Residential Units	Employment	Gross Floor Area (Square Feet)
Mid 2022	64,001	22,564	21,096	
Mid 2032	83,823	30,353	29,289	
Mid 2036	91,885	33,401	32,873	
Incremental Growth				
10-year (2022-2032)	19,822	7,789	8,193	8,780,300
14-year (2022-3036)	27,884	10,837	11,777	12,714,700

1. Excludes Work at Home (W.A.H) and No Fixed Place of Work (N.F.P.O.W.)

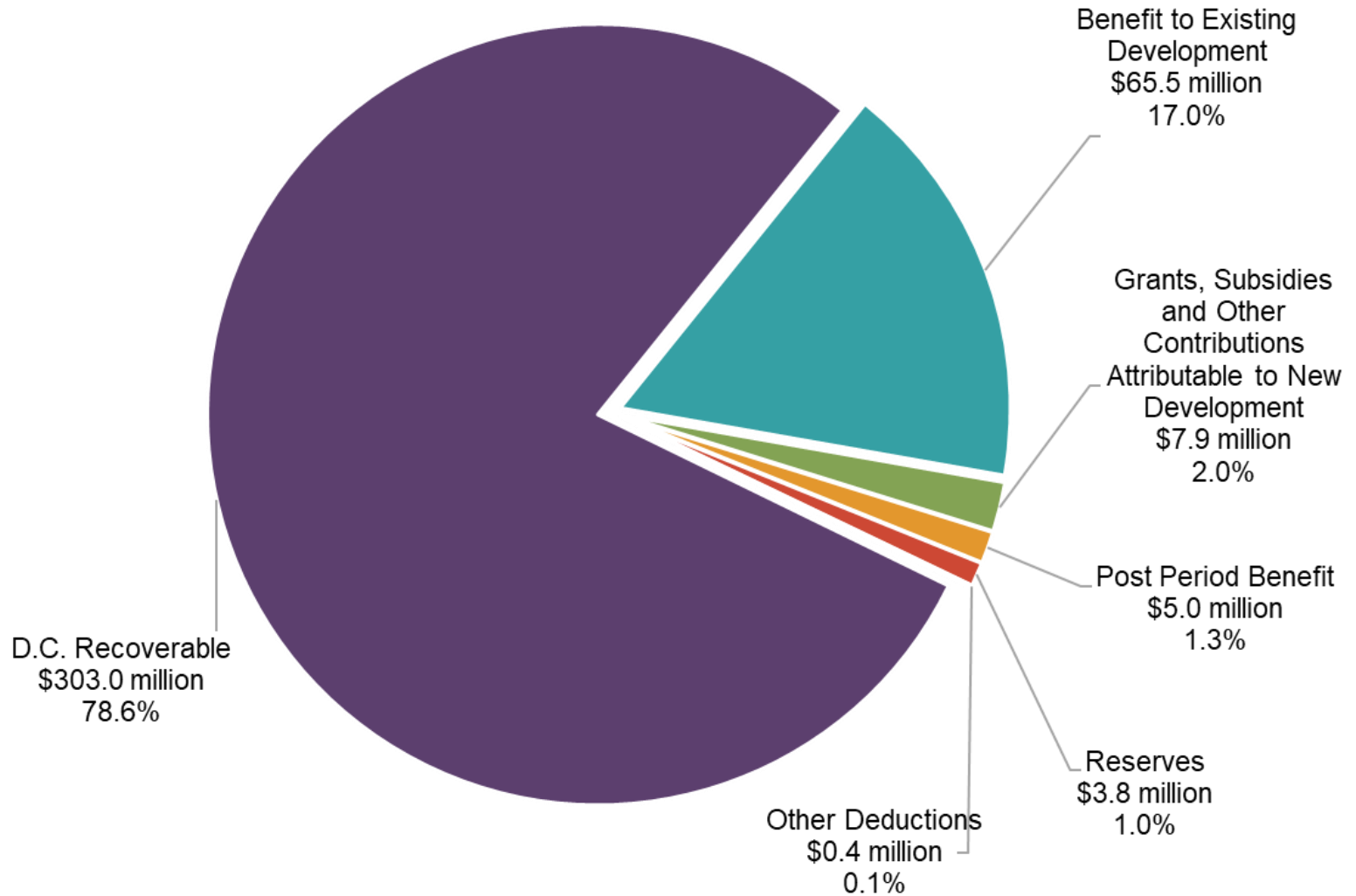


Increase in the Need for Service

- 10-Year Services (mid-2022 to mid-2032)
 - Transit
- 14-Year Services (mid-2022 to mid-2036)
 - Transportation
 - Fire Protection
 - Recreation and Parks
 - Library
 - Stormwater Management
 - Growth-Related Studies (class of service)

Anticipated Capital Needs

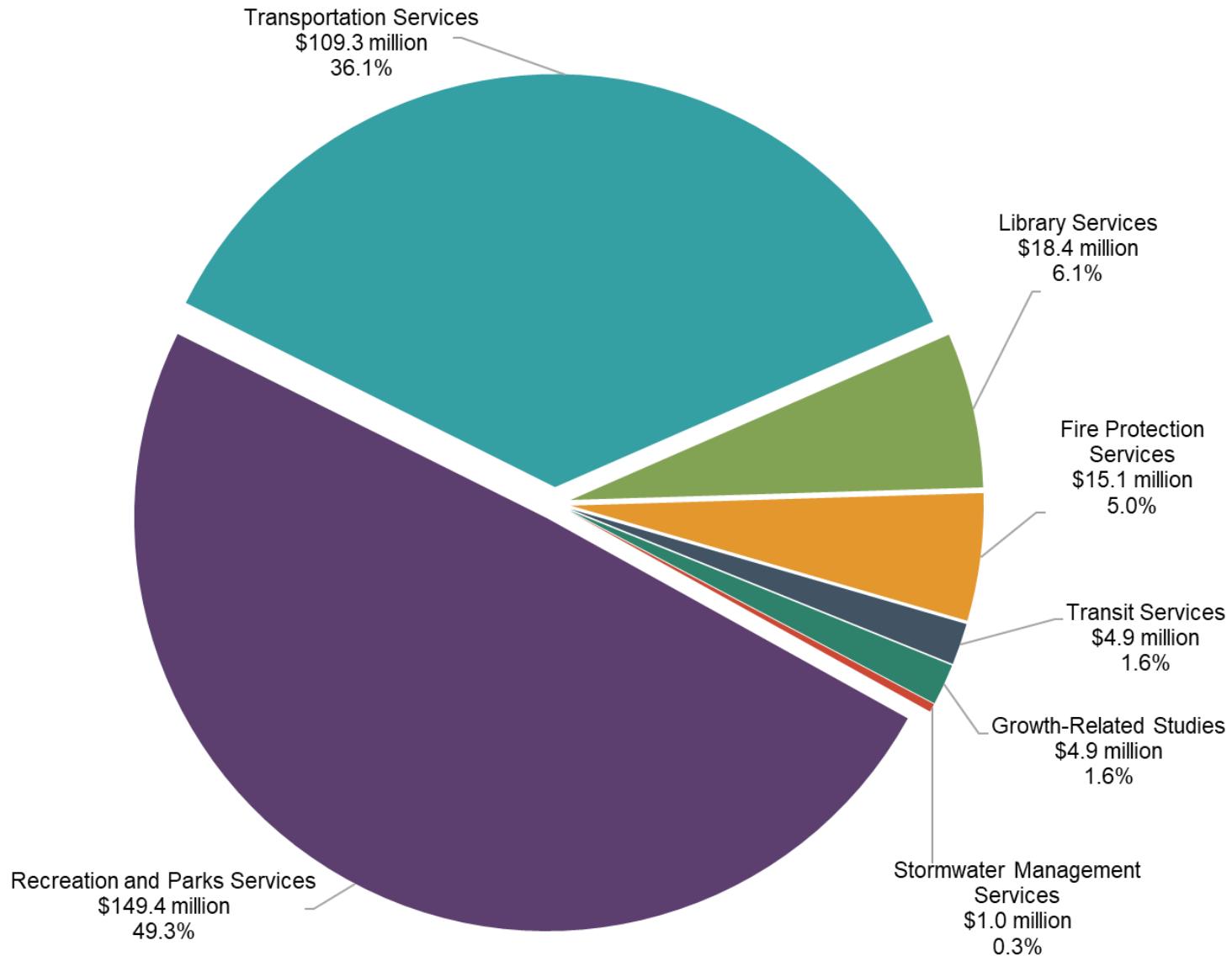
Gross Capital Costs - \$385.6 million





D.C. Recoverable Costs by Service

\$303.3 million (79% of Gross Capital Costs)



Proposed Schedule of Charges 2022\$



Service/Class of Service	RESIDENTIAL						NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Multiples - 3 Bedrooms +	Multiples - Less than 3 Bedrooms	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Special Care/Special Dwelling Units	Industrial (per m ² of Gross Floor Area)	Non-Industrial (per m ² of Gross Floor Area)
Transportation Services	\$9,519	\$6,695	\$4,500	\$4,910	\$3,620	\$2,988	\$21.72	\$70.83
Fire Protection Services	\$1,321	\$929	\$624	\$681	\$502	\$414	\$3.01	\$9.83
Transit Services	\$540	\$380	\$255	\$279	\$206	\$170	\$1.12	\$3.70
Recreation and Parks Services	\$17,908	\$12,594	\$8,466	\$9,238	\$6,811	\$5,620	\$6.58	\$6.58
Library Services	\$2,269	\$1,596	\$1,073	\$1,170	\$863	\$712	\$0.83	\$0.83
Stormwater Management Services	\$86	\$60	\$41	\$44	\$33	\$27	\$0.20	\$0.64
Growth-Related Studies	\$427	\$300	\$202	\$220	\$162	\$134	\$0.97	\$3.17
Total Municipal Wide Services/Class of Services	\$32,070	\$22,554	\$15,161	\$16,542	\$12,197	\$10,065	\$34.44	\$95.59
Total - Current	\$20,466	\$16,526	\$11,998	\$9,999	\$7,469	\$5,880	\$25.40	\$78.38
Difference (\$)	\$11,604	\$6,028	\$3,163	\$6,543	\$4,728	\$4,185	\$9.03	\$17.21
Difference (%)	57%	36%	26%	65%	63%	71%	36%	22%

Factors Leading to the Increases in D.C. Rates

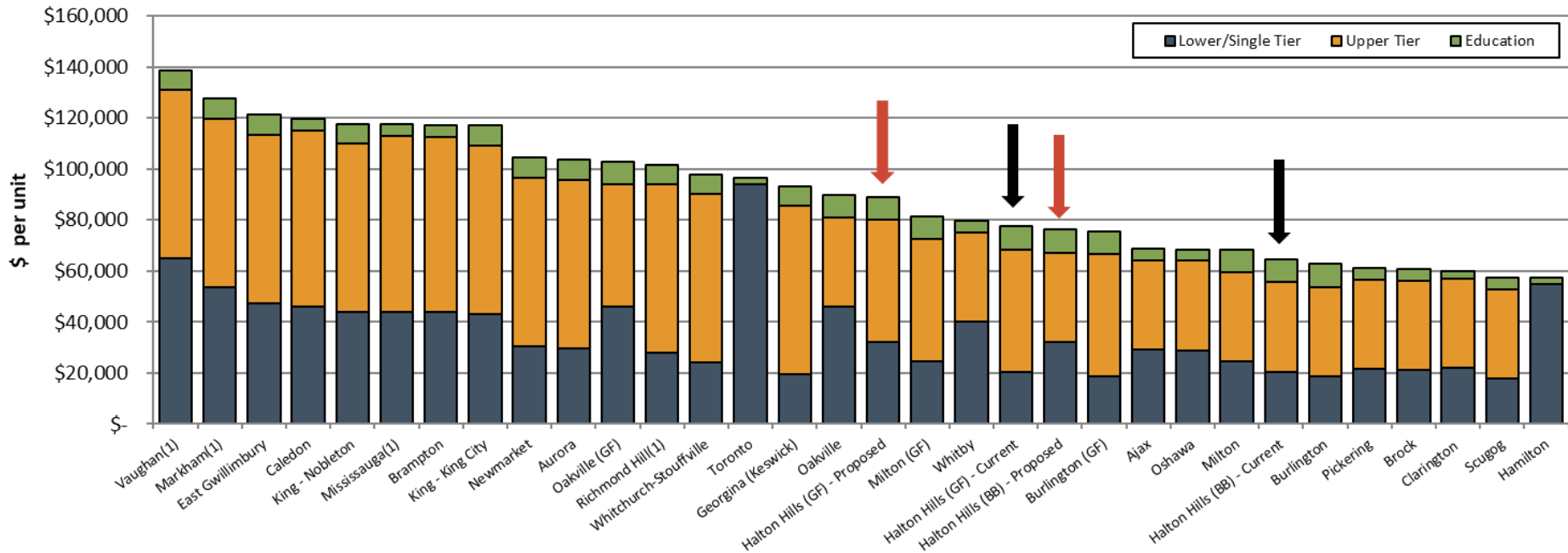


- Recent amendments to the D.C.A. that allow for the inclusion of capital costs in the calculation that were previously restricted (e.g. removal 10% statutory deductions and 10-year forecast limitation for soft services)
- Updated project cost estimates based on recent tender results, master plans (e.g. Active Transportation Master Plan, Transit Strategy), and green standards
- Newly identified capital needs in support of council approved strategies (e.g. Parkland Acquisition and Development Strategy)

Municipal D.C. Comparison Per Single Detached Residential Unit



**Residential Development Charges
Per Single Detached Dwelling for Greater Toronto Area & Select Municipalities**



BB=Built Boundary & GF=Greenfield.
1. A component of the charge has been converted from a per hectare charge to a hypothetical single detached unit.

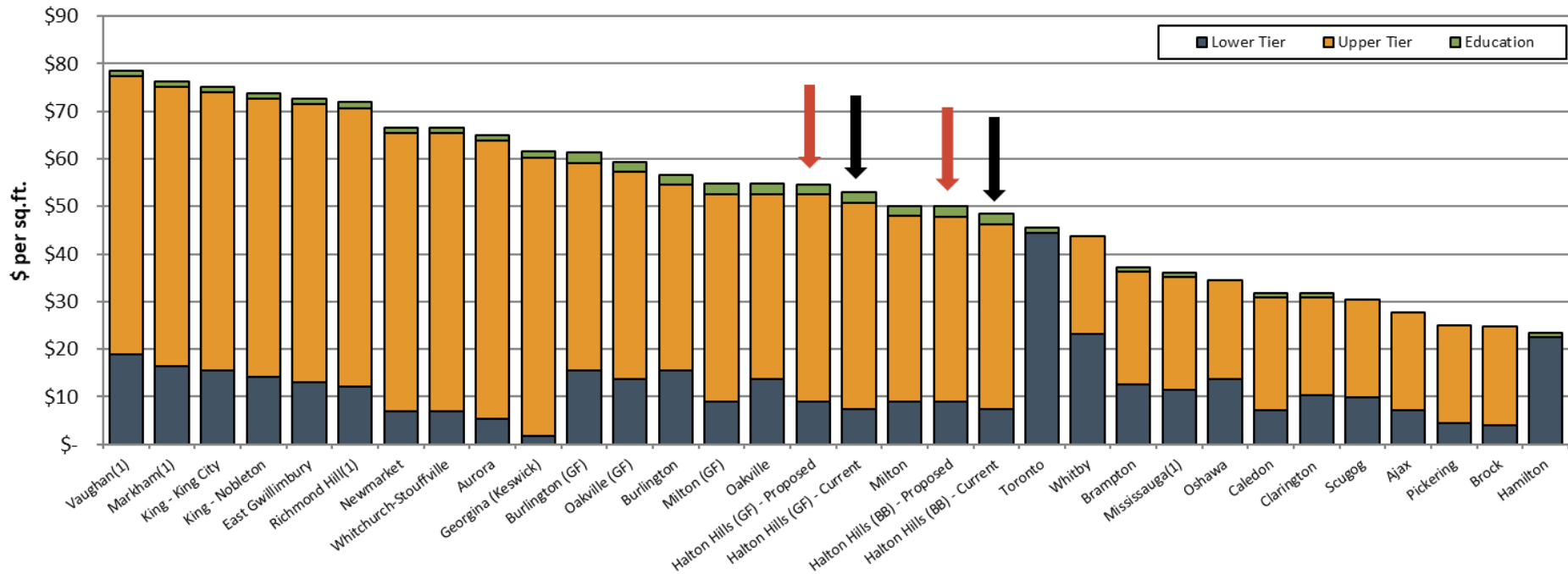
Note:

- Halton Region is currently undertaking a D.C. Background Study which, if adopted, will result in an increase in the Upper Tier D.C.s for all Halton area municipalities.

Municipal D.C. Comparison Per Square Foot of Retail Gross Floor Area



**Non-Residential Development Charges
Per GFA of Retail Floor Area for Greater Toronto Area & Select Municipalities**



BB=Built Boundary & GF=Greenfield.
1. A component of the charge has been converted from a per hectare charge to a hypothetical charge per sq.ft. of G.F.A.

Note:

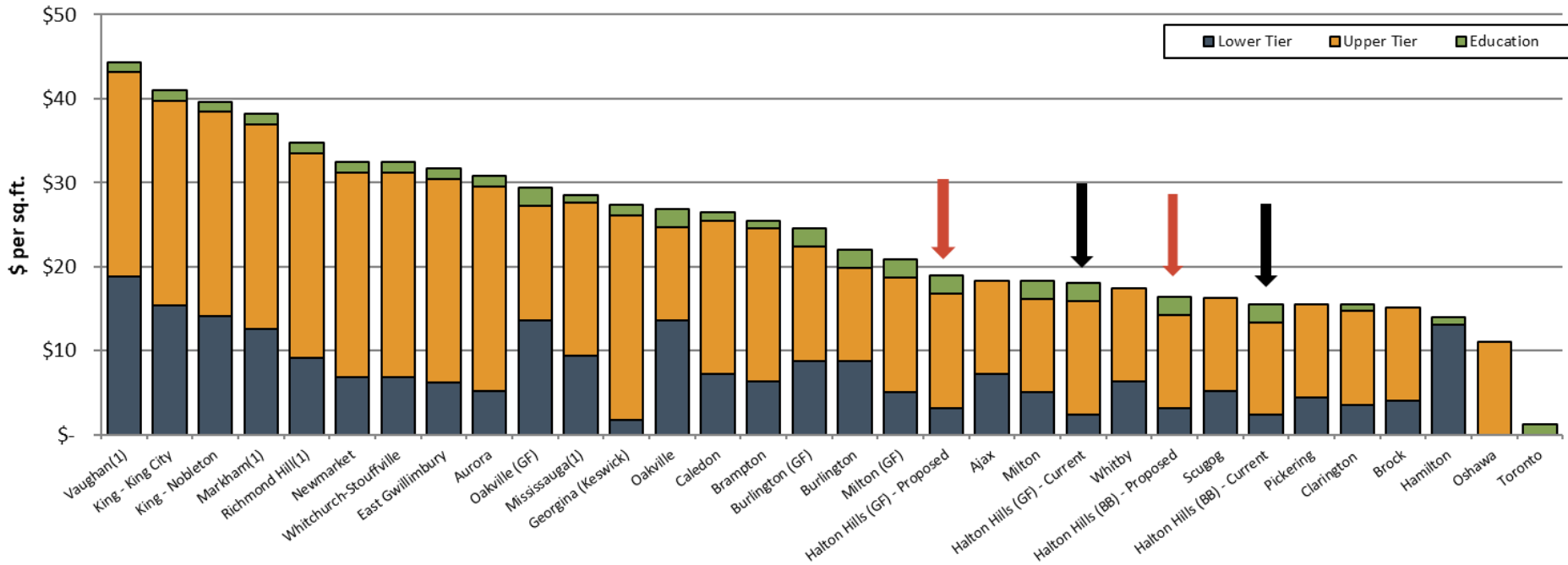
- Halton Region is currently undertaking a D.C. Background Study which, if adopted, will result in an increase in the Upper Tier D.C.s for all Halton area municipalities.

Municipal D.C. Comparison

Per Square Foot of Industrial Gross Floor Area



Non-Residential Development Charges
Per GFA of Industrial Floor Area for Greater Toronto Area & Select Municipalities



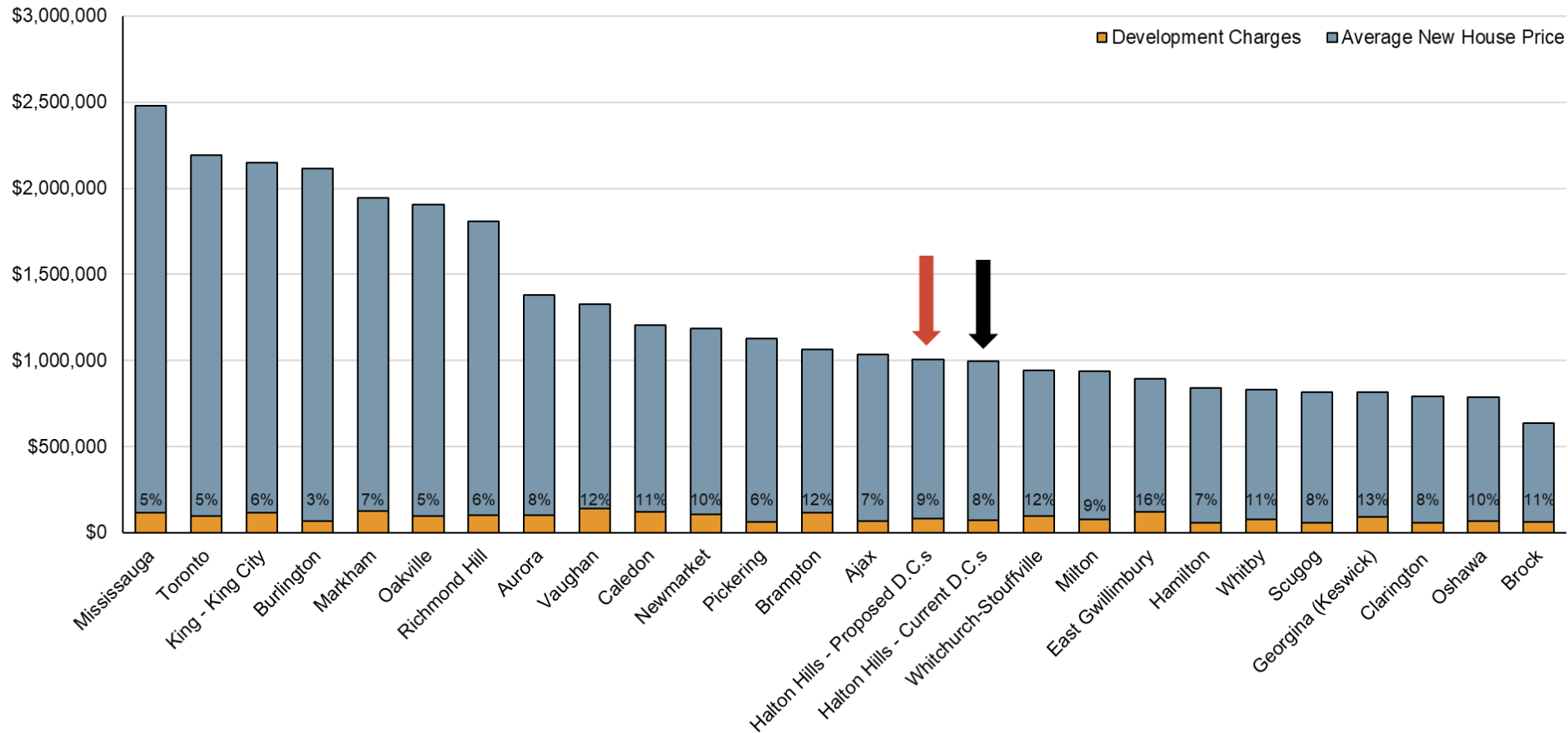
BB=Built Boundary & GF=Greenfield.

1. A component of the charge has been converted from a per hectare charge to a hypothetical charge per sq.ft. of G.F.A.

Note:

- Halton Region is currently undertaking a D.C. Background Study which, if adopted, will result in an increase in the Upper Tier D.C.s for all Halton area municipalities.

Jurisdictional Scan of D.C.s and Average New Home Sales Prices (2021)



Note: D.C.s include Upper-Tier, Lower-Tier and Board of Education

D.C. Impact on Housing Affordability



- Impact of D.C.s on house prices is impacted by the nature of housing environment and the competitive market, including factors such as:
 - land costs, building forms, tax rates, service levels, lifestyle, labour markets, debt environment, etc.
- If increase in D.C.s cannot be absorbed within the established selling price based on these factors, it would be passed through to homeowner with increased monthly mortgage payments
 - Residential D.C. proposed to increase by \$11,604 per single detached unit
 - Average selling price of a single detached home in 2021, based on MPAC data, was \$995,000
 - Mortgaged over 25 years at 5-year fixed rate of 2.98%, would add approximately \$44 to monthly mortgage payment
 - Alternative would be to fund growth-related capital from net levy, impacting affordability of current home ownership (i.e. existing taxpayers)



D.C. By-law Policies

Summary of Proposed D.C. Policy Changes

DC Policies	Current Policy	Proposed Change
Intensification:		
Industrial Expansion Exemption (Mandatory)	Expansion of <=50% of existing GFA is exempt	No Change
Industrial Expansion Exemption (Discretionary)	Fully Exempt if in operation/same ownership for a period of more than 5 years	To be applicable only to the general employment area within the Georgetown and Acton areas (excluding Premier Gateway) as defined in DC by-law
Non-Residential Lot Coverage Relief (Discretionary)	DCs payable on TFA <= 1X lot area, 50% for TFA between 1 - 1.5X lot area, 25% for TFA > 1.5X lot area	No Change
Demolition Credit	Credit provided for 5 years following the issuance of demolition permit	No Change
Conversion Credit	Credit provided for change in principle use of existing building, to the extent of DCs payable at the time of a building permit issuance	No Change
Additional dwelling units in existing and new residential buildings or a structure ancillary to it (Mandatory)	Compliant with DCA s. 2(3) & O.Reg 82/98 provisions	No Change
Economic Development		
Non-Residential Payment Deferral	Deferral of DCs by equal annual payments of 10 yrs with interest. Max 50k sqft industrial, 25k sqft non-industrial. First payment due one year after building permit issuance	The first payment is payable upon issuance of building permit
Non-Residential Categories	Differentiated between Industrial & Other Non-Res	No Change
Temporary Buildings (Residential, and Non-Residential)	Exempt for 3 years	To require DC payment up-front and to be refunded upon proof of demolition
Seasonal Structures	None	To be exempt

D.C. By-law Policies

Summary of Proposed D.C. Policy Changes



DC Policies	Current Policy	Proposed Change
Affordable Housing		
Affordable Rental Housing	None	20-year deferral without interest (consistent with Regional policy)
Non-profit housing (Mandatory)	Deferred DCs by 21 annual installments with interest	Include formally in by-law
Rental housing (for profit) (Mandatory)	Deferred DCs by 6 annual installments with Interest	Include formally in by-law
Other		
Determination of DC rates (Mandatory)	DC determined based on the rate in effect on the day of the planning application	Include formally in by-law
Institutional (Mandatory)	Deferred DCs by 6 annual installments with interest	Include formally in by-law
Charities, Non-profits, Not-for-profits (discretionary)	May apply to council to seek financial relief	No change
Agricultural Exemptions	Exempt (except for residential & retail/commercial use) including Farm help quarters	To also exclude cannabis production facilities
Cannabis-related Developments	None	To be added - Production facilities including growing operations (industrial), retail sales (non-industrial)
Municipal and School Board (Mandatory)	Exempt	No Change
Hospital	Exempt	No Change
Places of Worship	Exempt	No Change
Conservation Authority	None	To be exempt
Industrial Definition	Self-Storage is treated as industrial	Self-storage to be excluded from industrial
Refunds (Not resulting from appeal)	None	No interest would apply to refunds as a result of a change in building plans/permits



D.C. By-law Policies

Annual Indexing and By-law Commencement

- D.C.A. allows for adjustment of charges to reflect underlying cost increases and reduces municipal cash flow impacts between statutory by-law reviews
- It is proposed that the Town continue to index D.C.s on April 1st each year, in accordance with the Statistics Canada Non-residential Building Construction Price Index
- Upon approval by Council, the D.C. by-law will come into force on September 1, 2022

Next Steps



2021/2022 D.C. By-Law Process	Date
Public Meeting	May 2, 2022
Comments due	May 16, 2022
Final 2022 D.C. proposals to Council and by-law passage	July 4, 2022
Notice of by-law passage and deadline for appeals	within 20 days of by-law passage
Last day for D.C. by-law appeals	40 days after passage
By-law effective date	September 1, 2022



Comments & Questions to...

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