

Memorandum

To	Kevin Yaraskavitch
From	Byron Tan
Date	October 10, 2024
Re:	Development Charges By-Law Amendment – Growth Studies

Fax Courier Mail Email

1. Introduction

The City of Guelph (City) passed development charges (D.C.) by-law (2024)-20866 on January 16, 2024. This by-law outlined all of the City’s D.C. policies, otherwise known as the “Parent by-law”. To support this Parent by-law, the rates for each D.C. service were provided using separate “Child by-laws” (which have varying by-law numbers). At the time of by-law passage, the *Development Charges Act* (D.C.A.) did not include studies as an eligible cost to be funded through development charges.

On June, 6, 2024, Bill 185 (*Cutting Red Tape to Build More Homes Act, 2024*) received Royal Assent and includes the following changes to the D.C.A.:

- The removal of the Mandatory Phase-in for D.C. by-laws passed after Bill 185 comes into effect;
- A reduction to the D.C. rate freeze timelines for developments proceeding through site plan and zoning by-law amendment applications under the Planning Act. Charges are currently held at rates in place on the date the application is made until building permit issuance, provided the building permit is issued within two (2) years of the approval of the application. This time period is proposed to be reduced to 18 months under Bill 185 (note that the two (2) year timeline will still apply to applications received prior to Bill 185 receiving Royal Assent);
- Inclusion of growth-related studies, including the D.C. background study, as a D.C.-eligible costs;
- Provide a provision of the D.C. by-law specifying the date the by-law expires or to amend the provision to extend the expiry date;



- To allow minor amendments related to the imposition of studies, removal of the mandatory phase-in, and extension of by-law expiry dates (subject to the 10-year limitations provided in the D.C.A.) to be undertaken for by-laws passed after November 28, 2022 and before Bill 185 takes effect; and
- To modernize public notice requirements.

The purpose of this memorandum is to provide the basis for the proposed amendment to the City's D.C. by-laws to include the costs of growth-related studies and remove the mandatory phase-in section.

Subsections 19 (1.2) and 19 (1.3) of the D.C.A. allows for amendments to be made to a D.C. by-law to include growth-related study costs and remove the mandatory phase-in, respectively, without following subsection 19 (1) of the D.C.A. (subsection 19 (1) of the D.C.A. requires sections 10 to 18 to be followed when making an amendment to a D.C. by-law.). As such an amendment for this purpose does not require the preparation of a background study or a public meeting of Council. Furthermore, the by-law cannot be appealed to the Ontario Land Tribunal under section 14 of the D.C.A. Notwithstanding the foregoing, the clerk of the municipality is still required to give notice of by-law passage in accordance with subsections 13 (2) to (4) of the D.C.A.

2. Mandatory Phase-in

The City's D.C. by-law (2024)-20866 contains the Phase-in provisions that were introduced under Bill 23: *More Homes Built Faster Act, 2022*. As mentioned in the previous section, Bill 185 allows for a minor amendment to a D.C. by-law to remove the phase-in in accordance with subsection 19 (1.3) of the D.C.A. Therefore, an amending by-law will be presented to Council to amend section 3.11 phase-in provisions of the City's D.C. by-law.

3. Growth Studies

The D.C.A. permits the inclusion of studies undertaken to facilitate the completion of the City's capital works program. These studies have been included as a class of service under Growth Studies, where each study relates to at least one of the City's D.C. services.



Table 2-1 summarizes the studies that have been included in the D.C. calculations, which identify the gross capital costs, anticipated timing, deductions, and D.C. eligible costs.



Table 1
Growth Studies

Prj.No	Increased Service Needs Attributable to Anticipated Development	D.C. Eligible Services to which Study Relates	Timing (year)	Gross Capital Cost Estimate (2023\$)	Post Period Benefit	Other Deductions (prior Commitments)	Other Deductions (to recognize benefit to non-D.C. services)	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
	2023-2032												
1	GG0281 Development Charge By-law Update	All D.C. Services	2027-2032	650,000	-	-		650,000	-		650,000	429,000	221,000
2	LB0038 Strategic Plan	Library	2027-2031	180,000	-	-		180,000	90,000		90,000	85,500	4,500
4	PL0074 Environmental Initiatives	All Serices	2026-2032	1,575,000	-	-	157,500	1,417,500	708,800		708,700	467,742	240,958
5	PL0074 Environmental Initiatives	All Serices	2024-2024	515,101	-	108,715	51,510	354,876	231,800		123,076	81,230	41,846
6	PL0077 Official Plan Review and Implementation	All Serices	2025-2032	1,250,000	-	-	125,000	1,125,000	281,300		843,700	556,842	286,858
7	PL0077 Official Plan Review and Implementation	All Serices	2024-2024	442,639	-	287,360	44,264	111,015	99,600		11,415	7,534	3,881
8	PL0078 Urban Design Guidelines	All Serices	2028-2032	275,000	-	-	27,500	247,500	123,800		123,700	81,642	42,058
9	PL0079 Community Land Use Studies	All Serices	2025-2032	725,000	-	-	72,500	652,500	326,300		326,200	215,292	110,908
10	PL0080 Special Policy Area Review	All D.C. Services	2026-2026	500,000	-	-		500,000	250,000		250,000	165,000	85,000
11	PN0197 Maintenance Hole Condition Assessment Program	Wastewater	2025-2032	1,049,648	-	-		1,049,648	839,700		209,948	138,566	71,382
12	PN0197 Maintenance Hole Condition Assessment Program	Wastewater	2024-2024	1,212,000	-	215,000		997,000	969,600		27,400	18,084	9,316
13	PN0750 CCTV Administration and Site Inspection	Water/ Wastewater	2024-2024	1,750,000	-	58,330		1,691,670	1,400,000		291,670	192,502	99,168
14	PN0854 Initial Condition Assessment of Siphons	Wastewater	2025-2026	600,000	-	-		600,000	480,000		120,000	79,200	40,800
15	PN0871 Stormwater Master Plan	Stormwater	2029-2032	400,000	-	-		400,000	200,000		200,000	132,000	68,000
16	PN0922 Water and Wastewater Servicing Master Plan	Water/ Wastewater	2029-2032	400,000	-	-		400,000	200,000		200,000	132,000	68,000
17	PN0872 Water and Wastewater Servicing Master Plan (2024 and Prior)	Water/ Wastewater	2024-2024	1,030,000	-	434,680		595,320	515,000		80,320	53,011	27,309
18	RD0362 Transportation Master Plan Update	Services Related to a Highway	2029-2032	495,600	-	-		495,600	99,100		396,500	261,690	134,810
19	RD0383 Transportation Modeling	Services Related to a Highway	2025-2032	896,000	-	-		896,000	179,200		716,800	473,088	243,712
20	RD0383 Transportation Modeling	Services Related to a Highway	2024-2024	203,000	-	43,900		159,100	40,600		118,500	78,210	40,290
21	RD0392 Sustainable Transportation Programs	Services Related to a Highway	2025-2032	400,000	-	-		400,000	200,000		200,000	132,000	68,000
22	RD0392 Sustainable Transportation Programs	Services Related to a Highway	2024-2024	117,000	-	58,200		58,800	58,500		300	198	102
23	RD0461 Transportation System Management Strategy and Action Plan	Services Related to a Highway	2028-2028	487,200	-	-		487,200	243,600		243,600	160,776	82,824
24	RD0476 Active Transportation	Services Related to a Highway	2026-2031	800,000	-	-		800,000	400,000		400,000	264,000	136,000



Table 1 (Con't)
Growth Studies

Prj.No	Increased Service Needs Attributable to Anticipated Development	D.C. Eligible Services to which Study Relates	Timing (year)	Gross Capital Cost Estimate (2023\$)	Post Period Benefit	Other Deductions (prior Commitments)	Other Deductions (to recognize benefit to non-D.C. services)	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
	2023-2032												
25	SC0030 Trunk Sewer Investigation	Wastewater	2025-2032	1,600,000	-	-	-	1,600,000	1,280,000	-	320,000	211,200	108,800
26	SC0035 Flow Monitoring	Wastewater	2025-2032	2,335,000	-	-	-	2,335,000	1,167,500	-	1,167,500	770,550	396,950
27	SC0035 Flow Monitoring	Wastewater	2024-2024	1,902,893	-	801,450	-	1,101,443	951,400	-	150,043	99,028	51,015
28	SC0056 Development Wastewater Servicing Studies	Wastewater	2028-2032	300,000	-	-	-	300,000	-	-	300,000	198,000	102,000
29	SC0058 Wastewater Sewer Investigation	Wastewater	2025-2032	6,410,800	-	-	-	6,410,800	5,128,600	-	1,282,200	846,252	435,948
30	SC0058 Wastewater Sewer Investigation	Wastewater	2024-2024	1,203,000	-	100,600	-	1,102,400	962,400	-	140,000	92,400	47,600
31	ST0002 Treatment Plant Upgrades and Studies	Water	2025-2047	2,560,000	-	-	-	2,560,000	1,920,000	-	640,000	422,400	217,600
32	ST0008 Water Resource Recovery Centre Masterplan Update	Water	2027-2047	1,400,000	-	-	-	1,400,000	-	-	1,400,000	924,000	476,000
33	SW0068 Servicing Studies Development	Stormwater	2027-2032	295,000	-	-	-	295,000	73,800	-	221,200	145,992	75,208
34	SW0068 Servicing Studies Development	Stormwater	2024-2024	195,293	-	97,646	-	97,647	48,800	-	48,847	32,239	16,608
35	SW0137 LID Tracking Tool Development and Training	Stormwater	2028-2028	180,000	-	-	-	180,000	90,000	-	90,000	59,400	30,600
36	SW0105 Watershed Planning	Water/ Wastewater/ Stormwater	2028-2032	4,750,000	-	-	-	4,750,000	1,330,000	-	3,420,000	2,257,200	1,162,800
37	WC0043 Solid Waste Management Masterplan Recomm, Assessments, Studies and Policy Devt.	Waste Diversion	2027-2028	192,000	-	-	-	192,000	64,000	-	128,000	112,640	15,360
38	WC0044 Solid Waste Management Master Plan Environmental Programs Implementation & Subsidies	Waste Diversion	2028	124,000	-	-	-	124,000	41,300	-	82,700	72,776	9,924
39	WD0063 Conservation and Efficiency	Water/ Wastewater/ Stormwater	2027-2032	1,443,800	-	-	-	1,443,800	-	-	1,443,800	952,908	490,892
40	WP0011 Solid Waste Management Master Plan	Waste Diversion	2028-2032	500,000	-	-	-	500,000	166,700	-	333,300	219,978	113,322
41	WT0002 Water New Supply	Water	2025-2032	5,732,500	-	-	-	5,732,500	-	-	5,732,500	3,783,450	1,949,050
42	WT0023 Servicing Studies	Water/ Wastewater	2029-2032	200,000	-	-	-	200,000	-	-	200,000	132,000	68,000
43	WT0071 Leak Detection Studies	Water/ Wastewater	2025-2032	800,000	-	-	-	800,000	640,000	-	160,000	105,600	54,400
44	WT0079 Arkell Feasibility Studies	Water/ Wastewater	2025-2025	100,000	-	-	-	100,000	-	-	100,000	66,000	34,000
45	SW0103 Bull Frog Stormwater Pre-Design	Stormwater	2024-2024	1,076,000	-	-	-	1,076,000	946,900	-	129,100	85,206	43,894
	Reserve Fund Adjustment		Reserve	2,973,942	-	-	-	2,973,942	-	-	2,973,942	1,962,802	1,011,140
	Total			52,227,416	-	2,205,881	478,274	49,543,261	22,748,300	-	26,794,961	17,757,128	9,037,833



Based on Table 1, the City has identified approximately \$52.23 million in growth-related studies (which includes a reserve fund deficit of \$2.97 million). The following deductions have been made:

- \$478,274 to recognize the portion of the planning studies that benefit non-D.C. services;
- \$2,205,581 to recognize the portion of the studies that have been partially funded using the City's D.C. monies; and
- \$22,748,300 to recognize the benefit to the existing community.

Therefore, the net amount to be included in the D.C. for Growth Studies is \$26,794,961.

The capital costs for each study have been allocated based on the 10-year growth allocation for specific services provided in the 2023 D.C. background study, following a similar percentage distribution as presented in the capital costs calculation (i.e., parks & recreation capital costs are allocated at 95% residential and 5% non-residential and have been allocated as such for any studies specific to parks and recreation). These amounts are then divided by the 10-year growth forecast contained within the 2023 D.C. background study to calculate the residential and non-residential D.C. rates.

Table 2 presents the amended schedule of D.C.s, with the addition of Growth Studies.



Table 2
Amended Schedule of Development Charges

Service/Class of Service	RESIDENTIAL					NON-RESIDENTIAL ³
	Single and Semi-Detached Dwelling	Multiples ¹	Apartments ² - 2 Bedrooms +	Apartments ² - Studio and 1 Bedroom	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)
Municipal Wide Services/Class of Service:						
Services Related to a Highway	19,685	14,175	11,784	8,636	6,367	10.04
Public Works	1,993	1,435	1,193	874	645	1.01
Transit Services	3,155	2,272	1,889	1,384	1,020	1.55
Fire Protection Services	263	189	157	115	85	0.13
Policing Services	1,449	1,043	867	636	469	0.74
Parks and Recreation Services	12,912	9,298	7,730	5,664	4,176	0.78
Library Services	1,591	1,146	952	698	515	0.10
Long-term Care Services	95	68	57	42	31	0.01
Provincial Offences Act	-	-	-	-	-	0.00
Public Health Services	391	282	234	172	126	0.05
Ambulance Services	407	293	244	179	132	0.05
Waste Diversion Services	986	710	590	433	319	0.15
Stormwater Services	757	545	453	332	245	0.39
Wastewater Services	9,211	6,633	5,514	4,041	2,979	4.70
Water Services	11,918	8,582	7,135	5,228	3,855	6.08
Growth Studies	2,164	1,558	1,295	949	700	1.26
GRAND TOTAL	66,977	48,229	40,094	29,383	21,664	27.04

¹ Multiples include Townhomes, Row Dwellings, and Duplex Dwellings

² Apartments also include Triplex Dwellings, Fourplex Dwellings, Stacked Townhomes, and Additional Residential Dwelling Units

³ Non-Residential Developments include Institutional, Commercial, Industrial, Short Term Accommodations, and any structure not considered Residential

By comparison to the current charges, the amended charge for a single and semi-detached residential unit would increase by \$2,164 (+3.3%) from \$64,813 to \$66,977.

The draft amending D.C. by-law to By-law (2024)-20866, as well as the draft Child by-law for Growth Studies, are provided under a separate cover.