

**To: Warden and Members of County Council**

**From: Director of Corporate Services**

## Development Charges Study and Update - 2021

### RECOMMENDATION

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1. That in addition to fulfilling the statutory requirement under the Development Charges Act, 1997 to hold a public meeting for the purpose of amending the County's Development Charge Study and By-laws taking place on February 24, 2021, County Council receives public comments submitted to the Clerk as attached to Report No. CS 2021-10.

### REPORT HIGHLIGHTS

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- County Development Charge Background Study and By-laws are being reviewed and updated to reflect legislative changes to the *Development Charges Act* in 2020
- Public meeting to be held during Council's regular meeting on February 24, 2021 informed by a presentation from Watson and Associates
- Final Council consideration and adoption of the updated Background Study and revised by-laws is scheduled for March 24, 2021 – effective April 1, 2021

### Implementation Points

The updated draft Background Study and draft by-laws have been posted on the County website as of January 22, 2021 for public review and comment on or before the public meeting scheduled for February 24, 2021 at 7:00 p.m..

The nine updated draft development charge by-laws posted on the County website for public review and comment includes the following:

- County-wide services
- Woodstock water and wastewater
- Tillsonburg water and wastewater
- Ingersoll water and wastewater
- Thamesford water and wastewater
- Norwich water and wastewater
- Tavistock water and wastewater
- Plattsville water and wastewater
- Drumbo water and wastewater

Subsequent to holding a public meeting, Council will give consideration to adopting the 2021 development charges background study as it relates to County-wide services (i.e. library, land ambulance, roads, waste diversion and growth-related studies) and area-specific services (water and wastewater) and enactment of each of the respective by-laws at their regular meeting scheduled for March 24, 2021.

## **Financial Impact**

Approval of the recommendations contained within this report will have no financial impact beyond what has been approved in the current year's budget.

Elimination of the 10% statutory deductions on previously deemed 'soft services' means that the growth-related costs for library, land ambulance, waste diversion services and growth-related studies will now be fully funded by growth. This legislative change effectively removes the financial burden from existing property owners and transfers it to the developer, resulting in increases in development charge rates to fund the increased need for services related to growth. Furthermore, the proposed changes include a provision to impose interest charges on the delayed payment requirements for certain types of development as a measure to ensure existing properties are not financially burdened by growth related servicing costs.

## **Communications**

The *Development Charges Act* regulates the review process in terms of notice for, and the provision of, a statutory public meeting prior to enacting a development charge by-law.

To inform the public of this interim development charge review process, Communications staff have reinitiated the 'Speak Up Oxford – Development Charges Study and By-laws' page on the County's website – the County's online town hall providing a convenient platform for the public to voice their opinions. This platform, as well as the statutory public meeting, will provide the public access to review and comment on the proposed changes intended to align the County's Development Charge Background Study and By-laws with the recently amended legislation.







In order to comply with the prescribed public process, the following dates have been determined on the basis of regular Council meeting dates to avoid additional meetings and to have the updated background study and by-laws in effect on April 1, 2021.

- Development Charge Background Study (including by-laws) release – January 22, 2021 – refer to Attachment 1
- Advertise Public Meeting – not later than February 3, 2021
- County Public Meetings – February 24, 2021
- Adoption of Development Charge Background Study and by-laws – March 24, 2021

Watson & Associates Economists will be presenting the draft changes to the development charges background study and draft by-laws, including revised rates at the public meeting proposed for February 24, 2021 and will address any questions of Council.

Due to the pandemic, the public meeting will be held virtually in accordance with the County's Procedure By-law as authorized by the *Municipal Act*. Instructions for participating in the virtual public meeting were released with the official public notice and posted on the County's website.

### Strategic Plan (2015-2018)

					
<b>WORKS WELL TOGETHER</b>	<b>WELL CONNECTED</b>	<b>SHAPES THE FUTURE</b>	<b>INFORMS &amp; ENGAGES</b>	<b>PERFORMS &amp; DELIVERS</b>	<b>POSITIVE IMPACT</b>
1.ii.		3.iii.	4.i.	5.ii.	

## DISCUSSION

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### Background

On September 18, 2020, the Minister of Municipal Affairs and Housing announced that the Provincial Government proclaimed amendments to the *Development Charges Act* and the *Planning Act* by Bill 108, the *More Homes, More Choice Act*, and Bill 197, the *COVID-19 Economic Recovery Act*. In addition they made a new regulation under the *Planning Act* and technical changes to regulations under the *Planning Act*, *Development Charges Act* and *Building Code Act* in order to finalize the framework for development charges, community benefits and parkland. This proclamation also triggered a transition period of two years for municipalities to make the necessary adjustments to reflect the legislative changes during COVID-19.

Subsequently, on October 28, 2020, County Council authorized staff to retain Watson & Associates Economists Ltd. to facilitate an Oxford County and Area Municipalities joint review and update of current Development Charge Background Studies and By-laws to reflect amendments to the *Development Charges Act* and *Planning Act* as per the "*More Homes, More Choice Act*" (Bill 108) and "*COVID-19 Economic Recovery Act*" (Bill 197).

As part of this abridged review process, Watson collaborated with a Steering Committee comprised of representation from the County and all the participating Area Municipalities to review the legislative changes and assist in developing appropriate revisions with a view to achieve compliance where necessary and to consider options for discretionary provisions.

### Comments

At their meeting held January 27, 2021, County Council considered Report No. CS 2021-05 titled "Development Charges Study and Update – 2021" and approved circulation of proposed amendments to the County's development charge calculations and policy provisions for public comment. The report outlined the implications to the by-laws and resulting development charges to ensure the County's by-laws are compliant with the recent revisions to provincial legislation.

### Development Charge Revisions

Table 1 below illustrates the increase in development related costs that are now eligible for development charges resulting from the removal of the 10% statutory deduction from previously deemed “soft services”.

**Table 1 – Additional Development Charge Eligible Costs**

<b>Eligible Service</b>	<b>Additional Development Charge Eligible Costs</b>
Library services	\$71,600
Land ambulance	228,000
Waste diversion	25,400
Growth-related studies	60,500

In addition to removal of the 10% statutory deduction, other development charge implications include increasing the develop charge eligible costs with the inclusion of costs related to undertaking this development charge by-law amendment process. As a result of the forgoing, residential and non-residential rates have been amended for allocation of each development charge eligible service.

The table below presents the impacts of these changes to the County-wide development charge rates in comparison to the projected 2021 rates.

**Table 2 – Comparison of Current Development Charge Rates to Amended Rates**

<b>Service Class</b>	<b>Current Rates<sup>1</sup></b>	<b>Amended Rates<sup>1</sup></b>	<b>% Change</b>
<b>Residential Single and Semi-Detached Dwelling</b>			
Growth-Related Studies	\$98	\$108	10.2%
Land Ambulance	314	346	10.2%
Roads and Related	2,795	2,795	0.0%
Library Services <sup>2</sup>	432	458	6.0%
Waste Diversion	30	33	10.0%
<b>Total County Wide Services/ Classes of Service</b>	<b>\$3,669</b>	<b>\$3,740</b>	<b>1.9%</b>

<b>Non-Residential (per sq. m. of Gross Floor Area)</b>			
Growth-Related Studies	\$0.38	\$0.39	2.6%
Land Ambulance	1.21	1.34	10.7%
Roads and Related	10.78	10.78	0.0%
Library Services <sup>2</sup>	0.39	0.42	7.7%
Waste Diversion	0.16	0.17	6.3%
<b>Total County Wide Services/ Classes of Service</b>	<b>\$12.92</b>	<b>\$13.10</b>	<b>1.4%</b>

**Notes:**

1. These charges have been indexed using the 2020 Quarter 4 Non-Residential Building Construction Price Index for presentation purposes only. This index would be applied to the County's current development charges on April 1<sup>st</sup> in accordance with the provisions of the by-law(s).
2. The charge for Library services does not apply in Woodstock.

**Public Comments**

A summary of visits and public comments received prior to publication of this report by the Clerk and through *SpeakUp Oxford!* are provided below with detailed comments attached to this report as Attachment 2.

- 151 visitors to the *Speak Up* page to learn more
- 1 person submitted a comment via this route
- 24 people of those spent extended time on the site visiting multiple pages and/or downloading one or more documents
- 1 person submitted a comment via email to the Clerk

**Conclusions**

Under the *Development Charges Act*, a public meeting is required prior to the passing of a development charge by-law(s). The public is invited to this meeting to ask questions and/or provide comments on the background study and the proposed by-laws which will be presented by Watson & Associates Economists Ltd. The draft by-laws are not intended to be considered for adoption at this meeting. In accordance with the *Development Charges Act*, at least 20 days' notice will be given of the statutory public meeting and the proposed development charge by-law(s) and background study are to be made available to the public at least two weeks prior to the public meeting.

Watson & Associates has finalized the draft background study and calculated the respective development charges. A copy of the draft background study and the draft by-laws including the calculated development charges are available by following this link to the County's website

where they are also posted for public review [2021 Draft County Development Charge Background Study and Draft By-laws](#) .

The statutory public meeting will be held on February 24, 2021 at 7:00 p.m. as part of the regular County Council meeting.

Advertisement of the public meeting was placed in several local newspapers with circulation throughout the County. In addition, direct email notice will be given to builders and developers operating throughout the County and posted on the County's website.

## **SIGNATURES**

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### **Departmental Approval:**

Original signed by

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Lynn S. Buchner, CPA, CGA  
Director of Corporate Services

### **Approved for submission:**

Original signed by

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Michael Duben, B.A., LL.B.  
Chief Administrative Officer

## **ATTACHMENTS**

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Attachment 1 – Draft 2021 County of Oxford Development Charge Background Study and Draft Development Charge By-laws – [2021 Draft Development Charge Background Study and Draft By-laws](#)

Attachment 2 – Public Comments