

CITY OF HAMILTON

AMENDING MOTION

Council Date: June 12, 2019

MOVED BY COUNCILLOR C. COLLINS.....

SECONDED BY COUNCILLOR

9. 2019 Development Charges By-law and Background Study (FCS19050) (City Wide) (Item 10.4)

WHEREAS the Province released Bill 108, *More Homes, More Choice Act, 2019* on May 2, 2019 and the Bill received Royal Assent on June 6, 2019;

WHEREAS Bill 108 will ultimately result in many services (generally referred to as soft services) that the City collects Development Charges for, to no longer to be eligible for inclusion in a Development Charges Study and By-law;

WHEREAS Bill 108 provides transition provisions for Development Charge By-laws that expire after May 2, 2019;

WHEREAS once Bill 108 is proclaimed in force Development Charges By-laws may only impose Development Charges for the services listed in subsection 2(4) of the *Development Charges Act, 1997, as amended* which results in the exclusion of soft services from Development Charges;

WHEREAS the draft Development Charge By-law being recommended to Council for approval in FCS19050 is before Council for passage on June 12, 2019 but contains a provision which would delay the by-law coming into force until July 6, 2019;

WHEREAS the date of proclamation of Bill 108 unknown;

WHEREAS the City of Hamilton has undertaken a Development Charges Background Study dated March 13, 2019;

WHEREAS extraordinary hours of staff and consultants time has been allocated to ensuring that the 2019 Development Charges Background Study and calculation reflect the costs necessary to service the anticipated development within the City;

WHEREAS the impacts of Bill 108 cannot be fully understood by municipalities since the regulations have not been released;

WHEREAS staff has identified a risk regarding the effective date of the 2019 Development Charges By-law and the transition provisions contained within Bill 108, given how quickly the Provincial Government may Proclaim the Bill; specifically, the effective date of July 6, 2019 in the 2019 Development Charges By-law and the ability to collect for soft services at the rates determined necessary to support the capital needs related to growth through the 2019 Development Charges calculation;

WHEREAS there is a \$3,593 difference per single family dwelling in the soft service Development Charges between the current Development Charges collected for soft services and the amount calculated for soft service through the 2019 Development Charges Background Study;

WHEREAS July 6, 2019 has consistently been communicated as the date that the 2019 Development Charge rates would take effect;

WHEREAS there is a need to mitigate the risk identified while acknowledging that developers have been working with July 6, 2019 as the date increased Development Charges would take effect;

WHEREAS Addendum #2 to the 2019 Development Charges Background Study, dated June 7, 2019, has been prepared and released by Watson Associates Economists Ltd. and communicated by the City through the City's website and twitter account;

WHEREAS the City has met all legislated timelines and consultation periods required prior to passing and enacting a new Development Charges By-law;

WHEREAS this motion addresses the request from the June 6, 2019 Audit, Finance and Administration Committee meeting for staff to report back to Council on June 12, 2019 with language regarding transitional concerns related to Bill 108 and the 2019 Development Charges By-law;

WHEREAS it is the intent of Council that the proposed 2019 Development Charges By-law to be passed, enacted and take effect prior to the proclamation of Bill 108;

BE IT THEREFORE RESOLVED:

- (i) That the recommendations (a), (c) and (f) of Item 9 of Audit, Finance and Administration Committee Report 19-009 respecting the 2019 Development Charges By-law and Background Study (FCS19050) be **amended** as follows:
 - (a) That the 2019 City of Hamilton Development Charges Study, as amended, prepared by Watson & Associates Economists Ltd. and dated March 13, 2019, amended May 15, 2019 **and June 7, 2019**, be approved;
 - (c) That **the increase in need for services as set out in** all of the growth capital projects listed in the City of Hamilton Development Charges Background Study, as amended, prepared by Watson & Associates Economists Ltd. and dated March 13, 2019, amended May 15, 2019 **and June 7, 2019**, be approved, in principle, subject to annual capital budget approvals;
 - (f) That the “Local Service Policy” as included in the 2019 City of Hamilton Development Charges Study, as amended, be implemented effective **June 13**, 2019 and that the Planning and Economic Development Department be directed to make any updates required to co-ordinate the City’s financial policies for new development with the “Local Service Policy”;
- (ii) That the proposed 2019 Development Charges By-Law attached as Appendix “A” to Report FCS19050, be **amended** as follows:
 - (a) That the fifth recital be **amended** by replacing “General Issues Committee” with “Audit, Finance, and Administration Committee” as follows:

“WHEREAS the Council of the City of Hamilton, through its **Audit, Finance and Administration Committee**, has received written submissions and heard all persons who applied to be heard no matter whether in objection to, or in support of, the said By-law;”
 - (b) That Schedule A be replaced with **Revised** Schedule A, attached hereto;
 - (c) That Schedule B be replaced with **Revised** Schedule B, attached hereto;
 - (d) That Schedule C be replaced with **Revised** Schedule C, attached hereto;

- (e) That Table 1 be replaced with **Revised** Table 1, attached hereto;
- (f) That the Downtown Hamilton CIPA Table in Sub-section 27 (a) be replaced with **Revised** Table 2, attached hereto;
- (g) That Subsection 38 (a) and (b) be deleted and replaced with the following:

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38. The Development Charges set out in **Revised** Schedule “A” and **Revised** Schedule “B” of this By-law shall be adjusted annually without amendment to this By-law by the percentage change during the preceding year, as recorded in the Statistics Canada’s Building Construction price index, by type of building (non-residential building) (Table 18-10-0135-01) for the City of Toronto, as may be amended or replaced from time to time. This adjustment shall take place as follows:

(a) the initial adjustment shall **be on July 6, 2020 at 12:01 am**, and

(b) thereafter, adjustment shall be made each year on **July 6**.

- (h) That Section 44 be **amended** such that the by-law shall take effect as of June 13, 2019.

Date By-law Effective

44. This By-law shall come into force and take effect at 12:01 a.m. on **June 13, 2019**.

- (iii) That the recommendations (d) and (e) of Item 9 of Audit, Finance and Administration Committee Report 19-009 respecting the 2019 Development Charges By-law and Background Study (FCS19050) be **amended** as follows:

(d) That, having considered the matters in Report FCS19050 including the changes incorporated into the **proposed** 2019 Development Charges By-law, attached hereto as Appendix “A” **as amended** of Report FCS19050, no further meeting under s.12 of the Development Charges Act, 1997 is required;

- (e) That Appendix "A" **as amended**, attached to Report FCS19050 respecting the 2019 Development Charges By-law, prepared in a form satisfactory to the City Solicitor, be passed and enacted;

- (iv) That the following sub-section (m) be added, to address Council's intent to enact the proposed 2019 Development Charges By-law to take effect prior to the proclamation of Bill 108:

(m) That after having considered the foregoing matters set out in Report FCS19050, including all the changes to the proposed 2019 Development Charge By-law including those described in paragraph (d) above and all matters set out in this motion, no further meeting under section 12 of the Development Charges Act, 1997 is required.

Main Motion as Amended to read as follows:

- (a) That the 2019 City of Hamilton Development Charges Study, as amended, prepared by Watson & Associates Economists Ltd. and dated March 13, 2019, amended May 15, 2019 **and June 7, 2019**, be approved;
- (b) That, whenever appropriate, the City requests that grants, subsidies and other contributions be clearly designated by the provider as being to the benefit of existing development (or new development, as applicable);
- (c) That ***the increase in need for services as set out in*** all of the growth capital projects listed in the City of Hamilton Development Charges Background Study, as amended, prepared by Watson & Associates Economists Ltd. and dated March 13, 2019, amended May 15, 2019 **and June 7, 2019**, be approved, in principle, subject to annual capital budget approvals;
- (d) That, having considered the matters in Report FCS19050 including the changes incorporated into the ***proposed*** 2019 Development Charges By-law, attached hereto as Appendix "A" ***as amended*** of Report FCS19050, no further meeting under s.12 of the Development Charges Act, 1997 is required;
- (e) That Appendix "A" ***as amended***, attached to Report FCS19050 respecting the 2019 Development Charges By-law, prepared in a form satisfactory to the City Solicitor, be passed and enacted;
- (f) That the "Local Service Policy" as included in the 2019 City of Hamilton Development Charges Study, as amended, be implemented effective **June 13, 2019** and that the Planning and Economic Development Department be directed to make any updates required to co-ordinate the City's financial policies for new development with the "Local Service Policy";

- (g) That, where public stormwater management facilities have been provided at the cost of a developer, as a condition of development approval and the said facilities are deemed to be permanent and part of an ultimate solution, “credits for services in-lieu” for the related stormwater component of the Development Charge will be applied for any unbuilt units upon the said facilities being included in the Development Charge Background Study and any applicable addendum(s). Should external future development lands take benefit of said stormwater management facilities and where a best efforts provision has been included within the development agreement under which the facility was built, the City will collect the full Development Charge from the external developer and reimburse the original developer (constructor of storm pond) only the original value of the proportionate share of the best effort;
- (h) That the General Manager of Finance and Corporate Services be delegated authority to authorize Development Charge deferral agreements as outlined in Section 34 of the DC By-law, attached hereto as Appendix “A” of Report FCS19050;
- (i) That Development Charge Reserves be set up for the following type of Development Charge collections;
 - (i) Waste Diversion Residential Reserve;
 - (ii) Waste Diversion Non-Residential Reserve;
 - (iii) Stormwater Combined Residential Reserve;
 - (iv) Stormwater Combined Non-Residential Reserve;
 - (v) Stormwater Separated Residential Reserve;
 - (vi) Stormwater Separated Non-Residential Reserve;
 - (vii) Administrative Studies – Community Based Studies Residential Reserve;
 - (viii) Administrative Studied – Community Based Studies Non-Residential Reserve;
- (j) That, having considered the matters in Report FCS19050 including the changes incorporated into the amending GO Transit By-law attached hereto as Appendix “B” to Report FCS19050, no further meeting under s.12 of the Development Charges Act, 1997 is required;
- (k) That Appendix "B" attached to Report FCS19050 being a By-law to amend By-law 11-174 – “City of Hamilton GO Transit Development Charge By-law, 2011”, prepared in a form satisfactory to the City Solicitor, be passed and enacted; and,
- (l) That staff be directed to report back to the Audit, Finance & Administration Committee regarding the anticipated impact of Bill 108: More Homes, More Choice Act 2019 on the 2019 Development Charges By-law once the regulations are released and the Bill has received Royal Assent.

(m) That after having considered the foregoing matters set out in Report FCS19050, including all the changes to the proposed 2019 Development Charge By-law including those described in paragraph (d) above and all matters set out in this motion, no further meeting under section 12 of the Development Charges Act, 1997 is required.

SCHEDULE A TO BY-LAW 19-XXX
Municipal Wide Development Charges – Effective June 13, 2019 to July 5, 2019

Table A1:

Service	RESIDENTIAL					NON-RESIDENTIAL
	Single-Detached Dwelling & Semi-Detached Dwelling (per dwelling unit)	Townhouses & Other Multiple Unit Dwellings (per dwelling unit)	Apartments & Stacked Townhouses & Mobile Homes 2-Bedrooms+ (per dwelling unit)	Apartments & Stacked Townhouses & Mobile Homes Bachelor & 1-Bedrooms+ (per dwelling unit)	Residential Facility Dwelling & Lodging House & Garden Suite (per bedroom)	(per sq.ft. of Gross Floor Area)
Municipal Wide "Soft" Services:						
Parkland Development	2,352	1,683	1,377	942	760	0.11
Indoor Recreation Services	4,430	3,171	2,594	1,775	1,431	0.20
Library Services	1,045	748	612	419	338	0.05
Administrative Studies - Community Based Studies	330	236	193	132	107	0.17
Long Term Care	125	89	73	50	40	0.01
Health Services	1	1	1	-	-	0.00
Social & Child Services	15	11	9	6	5	0.00
Social Housing	648	464	379	260	209	0.00
Airport lands	419	300	245	168	135	0.21
Parking services	490	351	287	196	158	0.25
Provincial Offences Administration	40	29	23	16	13	0.02
Total Municipal Wide "Soft" Services	9,895	7,083	5,793	3,964	3,196	1.02
Municipal Wide "Hard" Services:						
Services Related to a Highway	2,867	2,174	2,234	1,750	950	8.05
Public Works Facilities, Vehicles & Equipment	784	561	459	314	253	0.41
Police Services	524	375	307	210	169	0.26
Fire Protection Services	462	331	271	185	149	0.23
Paramedics	137	98	80	55	44	0.03
Transit Services	1,917	1,372	1,123	768	619	0.98
Administrative Studies - Engineering Services Studies	166	119	97	66	54	0.08
Waste Diversion	657	470	385	263	212	0.13
Total Municipal Wide "Hard" Services	7,514	5,500	4,956	3,611	2,450	10.16
GRAND TOTAL MUNICIPAL WIDE (SOFT AND HARD)	17,409	12,583	10,749	7,575	5,646	11.18

SCHEDULE A TO BY-LAW 19-XXX
Municipal Wide Development Charges – Effective July 6, 2019

Table A2:

Service	RESIDENTIAL					NON-RESIDENTIAL
	Single-Detached Dwelling & Semi-Detached Dwelling (per dwelling unit)	Townhouses & Other Multiple Unit Dwellings (per dwelling unit)	Apartments & Stacked Townhouses & Mobile Homes 2-Bedrooms+ (per dwelling unit)	Apartments & Stacked Townhouses & Mobile Homes Bachelor & 1-Bedrooms+ (per dwelling unit)	Residential Facility Dwelling & Lodging House & Garden Suite (per bedroom)	(per sq.ft. of Gross Floor Area)
Municipal Wide "Soft" Services:						
Parkland Development	2,352	1,683	1,377	942	760	0.11
Indoor Recreation Services	4,430	3,171	2,594	1,775	1,431	0.20
Library Services	1,045	748	612	419	338	0.05
Administrative Studies - Community Based Studies	330	236	193	132	107	0.17
Long Term Care	125	89	73	50	40	0.01
Health Services	1	1	1	-	-	0.00
Social & Child Services	15	11	9	6	5	0.00
Social Housing	648	464	379	260	209	0.00
Airport lands	419	300	245	168	135	0.21
Parking services	490	351	287	196	158	0.25
Provincial Offences Administration	40	29	23	16	13	0.02
Total Municipal Wide "Soft" Services	9,895	7,083	5,793	3,964	3,196	1.02
Municipal Wide "Hard" Services:						
Services Related to a Highway	10,769	7,708	6,306	4,314	3,479	8.05
Public Works Facilities, Vehicles & Equipment	784	561	459	314	253	0.41
Police Services	524	375	307	210	169	0.26
Fire Protection Services	462	331	271	185	149	0.23
Paramedics	137	98	80	55	44	0.03
Transit Services	1,917	1,372	1,123	768	619	0.98
Administrative Studies - Engineering Services Studies	166	119	97	66	54	0.08
Waste Diversion	657	470	385	263	212	0.13
Total Municipal Wide "Hard" Services	15,416	11,034	9,028	6,175	4,979	10.16
GRAND TOTAL MUNICIPAL WIDE (SOFT AND HARD)	25,311	18,117	14,821	10,139	8,175	11.18

SCHEDULE B TO BY-LAW 19-XXX
Stormwater, Water and Wastewater Development Charges – Effective June 13, 2019 to July 5, 2019

Table B1:

Service	RESIDENTIAL					NON-RESIDENTIAL
	Single-Detached Dwelling & Semi-Detached Dwelling (per dwelling unit)	Townhouses & Other Multiple Unit Dwellings (per dwelling unit)	Apartments & Stacked Townhouses & Mobile Homes 2-Bedrooms+ (per dwelling unit)	Apartments & Stacked Townhouses & Mobile Homes Bachelor & 1-Bedrooms+ (per dwelling unit)	Residential Facility Dwelling & Lodging House & Garden Suite (per bedroom)	(per sq.ft. of Gross Floor Area)
Wastewater and Water Services						
Wastewater Facilities	4,048	2,897	2,371	1,622	1,308	1.95
Wastewater Linear Services	5,029	3,697	3,171	2,169	1,644	2.61
Water Services	4,767	3,412	2,792	1,910	1,540	2.29
Stormwater Services - Combined Sewer System (Area as per Schedule D)						
Stormwater Drainage and Control Services	7,065	5,106	4,313	3,001	2,293	1.41
Stormwater Services - Separated Sewer System (All areas outside of Combined Sewer System Area identified on Schedule D)						
Stormwater Drainage and Control Services	7,065	5,106	4,313	3,001	2,293	1.41
Total Urban Services - Combined Sewer System	20,909	15,112	12,647	8,702	6,785	8.26
Total Urban Services - Separated Sewer System	20,909	15,112	12,647	8,702	6,785	8.26

SCHEDULE B TO BY-LAW 19-XXX
Stormwater, Water and Wastewater Development Charges – Effective July 6, 2019

Table B2:

Service	RESIDENTIAL					NON-RESIDENTIAL
	Single-Detached Dwelling & Semi-Detached Dwelling (per dwelling unit)	Townhouses & Other Multiple Unit Dwellings (per dwelling unit)	Apartments & Stacked Townhouses & Mobile Homes 2-Bedrooms+ (per dwelling unit)	Apartments & Stacked Townhouses & Mobile Homes Bachelor & 1-Bedrooms+ (per dwelling unit)	Residential Facility Dwelling & Lodging House & Garden Suite (per bedroom)	(per sq.ft. of Gross Floor Area)
Wastewater and Water Services						
Wastewater Facilities	4,048	2,897	2,371	1,622	1,308	1.95
Wastewater Linear Services	5,415	3,876	3,171	2,169	1,749	2.61
Water Services	4,767	3,412	2,792	1,910	1,540	2.29
Stormwater Services - Combined Sewer System (Area as per Schedule D)						
Stormwater Drainage and Control Services	3,948	2,826	2,312	1,582	1,275	0.00
Stormwater Services - Separated Sewer System (All areas outside of Combined Sewer System Area identified on Schedule D)						
Stormwater Drainage and Control Services	10,462	7,488	6,127	4,191	3,380	2.16
Total Urban Services - Combined Sewer System	18,178	13,011	10,646	7,283	5,872	6.85
Total Urban Services - Separated Sewer System	24,692	17,673	14,461	9,892	7,977	9.01

SCHEDULE C TO BY-LAW 19-XXX

Special Area Charges – Effective June 13, 2019 to July 5, 2019

Table C1:

Service	RESIDENTIAL					NON-RESIDENTIAL
	Single-Detached Dwelling & Semi-Detached Dwelling (per dwelling unit)	Townhouses & Other Multiple Unit Dwellings (per dwelling unit)	Apartments & Stacked Townhouses & Mobile Homes 2-Bedrooms+ (per dwelling unit)	Apartments & Stacked Townhouses & Mobile Homes Bachelor & 1-Bedroom (per dwelling unit)	Residential Facility Dwelling & Lodging House & Garden Suite (per bedroom)	(per sq.ft. of Gross Floor Area)
Additional Special Area Charges Dundas/Waterdown	1,588	1,147	970	674	515	1.04

Special Area Charges – Effective July 6, 2019

Table C2:

Service	RESIDENTIAL					NON-RESIDENTIAL
	Single-Detached Dwelling & Semi-Detached Dwelling (per dwelling unit)	Townhouses & Other Multiple Unit Dwellings (per dwelling unit)	Apartments & Stacked Townhouses & Mobile Homes 2-Bedrooms+ (per dwelling unit)	Apartments & Stacked Townhouses & Mobile Homes Bachelor & 1-Bedroom (per dwelling unit)	Residential Facility Dwelling & Lodging House & Garden Suite (per bedroom)	(per sq.ft. of Gross Floor Area)
Additional Special Area Charges Dundas/Waterdown	1,971	1,410	1,154	789	637	1.04

Table 1 - Industrial Development Charges to be Imposed

Service	Combined Sewer System and Separated Sewer System	Combined Sewer System	Separated Sewer System
	Effective June 13, 2019 - July 5, 2019	Effective July 6, 2019	Effective July 6, 2019
Water Services	0%	0%	0%
Wastewater Facilities	100%	100%	100%
Wastewater Linear Services	100%	100%	100%
Stormwater Drainage and Control Services	100%	100%	100%
Services Related to a Highway	73%	80%	69.5%
Public Works	0%	0%	0%
Police Services	0%	0%	0%
Fire Protection Services	0%	0%	0%
Transit Services	0%	0%	0%
Parkland Development Services	0%	0%	0%
Recreation Facilities	0%	0%	0%
Library Services	0%	0%	0%
Administrative Studies	0%	0%	0%
Paramedic Services	0%	0%	0%
Social and Child Services	0%	0%	0%
Social Housing	0%	0%	0%
Health Services	0%	0%	0%
Long-Term Care	0%	0%	0%
Provincial Offenses Administration	0%	0%	0%
Airport Services	0%	0%	0%
Parking Services	0%	0%	0%
Waste Diversion	0%	0%	0%

Table 2: Downtown Hamilton CIPA Partial Exemption

Date	Percentage of reduction (%)	Percentage of development charge payable (%)
June 13, 2019 to July 5, 2019	70	30
July 6, 2019 to July 5, 2020	60	40
July 6, 2020 to July 5, 2021	50	50
July 6, 2021 to July 5, 2022	40	60
July 6, 2022 to July 5, 2023	40	60
July 6, 2023 to June 12, 2024	40	60