



Hamilton

INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	January 16, 2020
SUBJECT/REPORT NO:	Education Development Charge Update (FCS20010) (City Wide)
WARD(S) AFFECTED:	City Wide
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SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

COUNCIL DIRECTION

N/A

INFORMATION

Report FCS20010 is to provide an update to Council regarding a recent amendment made to the *Education Act, R.S.O. 1990, c. E.2 (Education Act)* and the associated Ontario Regulation 20/98 (Education Development Charges – General) by the Ministry of Education (see Appendix “A” to Report FCS20010).

On November 8, 2019, the Province, through Ontario Regulation 371/19, amended the *Education Act*, Ontario Regulation 20/98 (Education Development Charges – General). The amendment included changes to the process a School Board must follow when calculating an Education Development Charge (EDC), imposing limits on annual increases of an EDC and adding a mandatory exemption for a variety of Institutional developments.

The Province has communicated that the changes to the Education DC Policy Framework are to “support the goals of the government’s Housing Supply Action Plan, to enhance cost predictability for developers, and to maintain adequate revenues to support the accommodation of students in new development.”

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OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

Section 6.1 (1) was added to the *Education Act*, Ontario Regulation 20/98 (Education Development Charges – General) by Ontario Regulation 371/19 on November 8, 2019.

6.1 (1) A board shall exempt an owner from education development charges if one of the following conditions is satisfied:

- 1. Subject to subsection (2), the development would construct, erect or place a building or structure, or make an addition or alteration to a building or structure for one of the following purposes:
 - i. A private school.*
 - ii. A long-term care home, as defined in the Long-Term Care Homes Act, 2007.*
 - iii. A retirement home, as defined in the Retirement Homes Act, 2010.*
 - iv. A hospice or other facility that provides palliative care services.*
 - v. A child care centre, as defined in the Child Care and Early Years Act, 2014.*
 - vi. A memorial home, clubhouse or athletic grounds owned by the Royal Canadian Legion.**
- 2. The owner is a college of applied arts and technology established under the Ontario Colleges of Applied Arts and Technology Act, 2002.*
- 3. The owner is a university that receives regular and ongoing operating funds from the Government of Ontario for the purposes of post-secondary education.*
- 4. The owner is an Indigenous Institute prescribed for the purposes of section 6 of the Indigenous Institutes Act, 2017. O. Reg. 371/19, s. 1.*

(2) If only a portion of a building or structure, or an addition or alteration to a building or structure, referred to in paragraph 1 of subsection (1) will be used for a purpose identified in that paragraph, only that portion of the building, structure, addition or alteration is exempt from an education development charge. O. Reg. 371/19, s. 1.

The added mandatory exemptions added to EDCs affect the City only by way of no longer collecting EDCs for the specified forms of developments. On November 11, 2019 City staff received notice of the change from the School Boards and cascaded the notice to all Building Division staff and appropriate Finance staff. A notice, attached as Appendix “A” to Report FCS20010, of all EDC Policy Framework changes was sent to the Directors of Education from the Ministry of Education in a letter dated November 8, 2019.

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Note that there is no direct financial impact to the City as a result of these amendments. EDCs collected by City Building staff at permit issuance are remitted to the respective school boards by Finance staff. The School Boards adopt and enforce EDC By-laws which are legislated by the *Education Act*. The City is merely an intermediary that collects the EDCs on behalf of the Boards according to the rules in the *Education Act* and each Board's EDC By-law.

Staff is reviewing permits issued on or after the effective date of Friday, November 8, 2019 and will work with each School Board regarding any applicable refunds.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report FCS20010 – November 8, 2019 Memorandum from the Ministry of Education: Education Development Charge Policy Framework Update

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