




COMMUNICATION UPDATE

TO:	Mayor and Members City Council
DATE:	September 10, 2024
SUBJECT:	Education and GO Transit Development Charges Updates and Launch of a Development Charges Rates and Rules Online Tool (City Wide)
WARD(S) AFFECTED:	City Wide
SUBMITTED BY:	Kirk Weaver Acting Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

Background

The City of Hamilton imposes development charges to recover growth-related costs associated with the capital infrastructure within our community. These one-time fees paid by developers at the time a building permit is issued, help pay for municipal services to new developments, such as roads, transit, water and sewer infrastructure, community centres and fire and police facilities.

Development charges ease the financial burden on taxpayers to fund new services as a result of growth. Without development charges, the costs for additional infrastructure would be at the expense of existing property owners in the form of higher property taxes and user fees. Most municipalities in Ontario leverage development charges.

School Boards and Metrolinx, an agency of the Province of Ontario, also have the authority to impose development charges. The City collects the development charges on behalf of these entities. The City has no authority and/or influence related to decisions made by these entities regarding their respective development charges.

Changes to the development charge rates are indexed/become effective on different dates.

The purpose of this Communication Update is to inform Council about important information related to development charges in Hamilton, including:

OUR Vision: To be the best place to raise a child and age successfully.

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.

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- Recent School Board approved changes to Education development charges;
- Annual indexing of GO Transit development charges, and;
- Launching of a City-developed tool to aid citizens and property developers in determining which development charge rates may apply to their project.

City Development Charges

The City of Hamilton's 2024 Development Charge By-law 24-072 was passed on May 8, 2024 with an effective date of June 1, 2024. (<https://www.hamilton.ca/build-invest-grow/planning-development/development-charges/development-charges>)

Recent School Board Approved Changes to Education Development Charges

The Hamilton-Wentworth District School Board (Public Education) adopted a new Education development charge By-law on June 17, 2024 with an effective date of July 1, 2024. Tables 1 and 2 illustrate the current and new Public Education development charge rates based on a single-detached dwelling.

The Hamilton-Wentworth Catholic District School Board (Catholic Education) adopted a new Education development charge By-law on June 11, 2024 with an effective date of July 1, 2024. Tables 1 and 2 illustrate the current and new Catholic Education development charge rates based on a single-detached dwelling.

Table 1: Summary of GO Transit and Education Development Charges Rates for the Construction of a Single-Detached Dwelling

Development Charge Type	Date of Rate Change	Old Rate	New Rate	Change (brackets reflect decrease)
GO Transit ^[1]	July 6, 2024	\$357	\$386	\$29
Public Education ^[2]	July 1, 2024	\$1,573	\$1,873	\$300
Catholic Education ^[2]	July 1, 2024	\$1,701	\$1,539	(\$162)

[1] The rate for other residential unit types was included in Report FCS23103(b)

[2] The rate for all dwelling unit types is the same as the rate for singles

Table 2: Summary of GO Transit and Education Development Charges Rates for the Construction of a Non-Residential Development (Per Sq. Ft.)

Development Charge Type	Date of Rate Change	Old Rate	New Rate	Change
GO Transit	July 6, 2024	N/A	N/A	N/A
Public Education	July 1, 2024	\$0.50	\$0.60	\$0.10
Catholic Education	July 1, 2024	\$0.55	\$0.65	\$0.10

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Launching of a City-developed Tool to Aid Property Developers in Determining which Development Charge Rates may Apply to Their Project

The different indexing dates for the different types of development charges create the need for multiple development charge pamphlets (the document that the City's development charges team posts to the City's development charge webpage summarizing rates and rules in effect).

On the City's website, there are pamphlets for the periods June 1 to June 30, 2024, July 1, 2024 to July 5, 2024 and July 6, 2024 to May 31, 2025. City development charges are further complicated by the fact that there is a Provincially-legislated development charge rate lock-in at historical rates when there is a relevant site plan application / zoning by-law amendment application made on or after January 1, 2020.

City staff recognize this process can be arduous for local developers. In alignment with the Term of Council Priority regarding Responsiveness and Transparency, City staff are streamlining the process and better supporting our valued partners, by creating an online tool that will be made available on the City's development charge webpage. The tool will help determine which development charge pamphlet is applicable for each of the City developments charges, GO Transit development charges and Education development charges. Staff will be advising the development community of this new tool through various communication networks such as the Development Liaison Group (DILG).

The Development Charges Rates and Rules online tool and other resources including development charge pamphlets can be found at <https://www.hamilton.ca/build-invest-grow/planning-development/development-charges/development-charges>.

For more information, please contact Kirk Weaver, Acting Director, Kirk.Weaver@hamilton.ca or Alex Di Domenico, Senior Financial Analyst, Alexandra.DiDomenico@hamilton.ca – Financial Planning, Administration and Policy Division.

APPENDICES AND SCHEDULES ATTACHED

N/A