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### Introduction

# **Development Charges**



- Purpose of Development Charges D.C.s is to recover the capital costs associated with residential and non-residential growth within a municipality
- Municipalities are empowered to impose D.C.s via the Development Charges Act, 1997 (D.C.A.)
- The Municipality of Mississippi Mills D.C. By-law 18-88 came into effect on January 1, 2019

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#### Introduction



# Development Charges Update Study and By-law Amendment

- D.C. Update Study prepared to amend the Municipality's 2018 D.C. Background Study and By-law 18-88
- Purpose of the proposed D.C. by-law amendment is to:
  - Reflect recent amendments to the D.C.A. made through the More Homes, More Choice Act, and COVID-19 Economic Recovery Act, including:
    - Changes to the D.C. recoverable costs (i.e. removal of the 10% statutory deduction, updates to capital cost estimates and reallocation of service specific growth-related studies); and
    - · Changes to the timing of calculation and collection of D.C.s and statutory exemptions
- All other components of the 2018 D.C. Background Study and D.C. Bylaw 18-88 remain unchanged

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### 2021 D.C. Amendment



#### Changes to D.C. Eligible Costs

- Removal of the 10% statutory deduction from the calculation of the charge
- Changes to projects:
  - Addition of Transportation Master Plan
  - · Addition of D.C. Amendment
  - Scope change for the Almonte library expansion

	Residential						
Service		2018 D.C. Study		2021 D.C. Amendment		Change	
Municipal Wide Services							
Services Related to a Highway	\$	8,504,712	\$	8,539,437	\$	34,725	
Fire Protection Services	\$	208,605	\$	208,605	\$	-	
Parks and Recreation Services	\$	1,931,902	\$	2,171,232	\$	239,330	
Library Services	\$	1,094,467	\$	1,339,078	\$	244,611	
Growth-Related Studies	\$	83,214	\$	170,114	\$	86,900	
Child Care Services	\$	205,184	\$	228,711	\$	23,528	
Rural Services							
Septage Services	\$	81,862	\$	81,862	\$	-	
Urban Services							
Wastewater Services	\$	3,651,249	\$	3,651,249	\$	-	
Water Services	\$	4,563,818	\$	4,563,818	\$	-	

# 2021 D.C. Amendment



Comparison of current and calculated rates (indexed to 2021)

	Resid	lential	Non-Residential		
Service		ached Unit)	(per sq.ft. of G.F.A.)		
03.7.03	Current	Calculated		Calculated	
Municipal Wide Services:					
Services Related to a Highway	3,920	3,935	2.37	2.37	
Fire Protection Services	96	96	0.05	0.05	
Parks and Recreation Services	1,895	2,131	0.27	0.30	
Library Services	1,073	1,314	0.15	0.18	
Child Care Services	211	236	-	-	
Total Municipal Wide Services	7,195	7,712	2.84	2.90	
Rural Services					
Septage Services	82	82	0.05	0.05	
Total Rural Services	82	82	0.05	0.05	
Urban Services					
Wastewater Services	3,497	3,497	1.31	1.31	
Water Services	4,757	4,757	1.10	1.10	
Total Urban Services	8,254	8,254	2.41	2.41	
Growth-Related Studies					
Rural	70	56	0.04	0.02	
Urban	70	135	0.04	0.04	
GRAND TOTAL RURAL AREA	7,347	7,850	2.93	2.97	
GRAND TOTAL URBAN AREA	15,519	16,101	5.29	5.35	

<sup>&</sup>lt;sup>1</sup> Excludes 50% deduction of Municipal-Wide Services for Commercial and Institutional

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# D.C. By-Law Policies



- Except for the following revisions, policies contained within Bylaw 18-88, remain unchanged
- Rental housing and institutional developments will pay D.C.s in 6 equal annual payments, commencing from the date of occupancy
- Non-profit housing will pay D.C.s in 21 equal annual payments, commencing from the date of occupancy
- D.C. for developments proceeding through Site Plan or Zoning By-law Amendment will be determined based on the charges in effect on the day the application is made
  - Charges to be frozen for a maximum period of 2 years after planning application approval

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#### D.C. By-Law Policies

#### Interest Charges

- Interest on installment payments and charges calculated at Site Plan or Zoning By-Law Amendment application will be imposed as identified the Municipality's Development Charges Interest Rate Policy (currently being developed)
  - Interest on installments to be charged at the Bank of Canada Prime lending rate + 2 percentage points
  - Interest on the "D.C. freeze" to be charged based on the Statistics Canada Non-residential Building Construction Price Index
  - These interest rates will be fixed throughout the duration of the "D.C. freeze" and installment period

# D.C. By-Law Policies

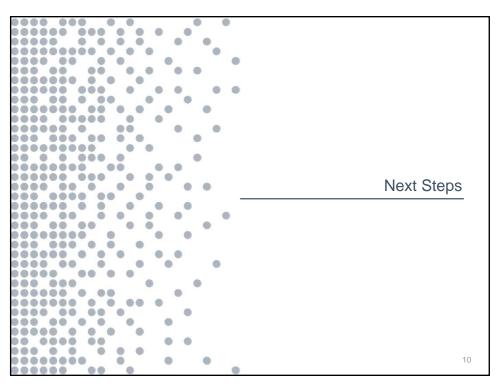
#### **Statutory Exemptions**



- Residential intensification (within existing residential buildings or structures ancillary to existing residential buildings):
  - May add up to two apartments for a single detached home as long as size of home doesn't double
  - Add one additional unit in medium & high density buildings
- The creation of a second dwelling unit in prescribed classes of new residential buildings, including structures ancillary to dwellings

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# Next Steps



- D.C. Update Study and amending D.C. by-law available to the public February 18, 2021
- Finalize Development Charges Interest Rate Policy
- Public Meeting
- Council to approve D.C Update Study, as amended, and consider adoption of amending D.C. By-law – April 20, 2021

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