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**Watson
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Addendum to 2024 Development Charges Background Study

Township of Mulmur

For Public Circulation and Comment

July 2, 2024

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1. Summary of Revisions to the April 16, 2024 Development Charges Background Study

Commensurate with the provisions of the Development Charges Act (D.C.A.), 1997, the Township of Mulmur (Township) has undertaken a Development Charges Background Study (D.C.B.S.) and has distributed the study and draft by-law to the public. The following provides a summary of the key dates in the Development Charges (D.C.s) by-law process:

- April 16, 2024 – Release D.C.B.S. and draft by-law
- May 1, 2024 – Public Meeting of Council
- July 3, 2024 – Anticipated passage of D.C. By-law
- July 3, 2024 – Anticipated date of by-law enactment.

On June 6, 2024, Bill 185 (*Cutting Red Tape to Build More Homes Act, 2024*) received Royal Assent and includes the following changes to the D.C.A.:

- The removal of the Mandatory Phase-in for D.C. by-laws passed after Bill 185 comes into effect;
- A reduction to the D.C. rate freeze timelines for developments proceeding through site plan and zoning by-law amendment applications under the Planning Act. Charges are currently held at rates in place on the date the application is made until building permit issuance, provided the building permit is issued within two (2) years of the approval of the application. This time period is reduced to 18 months under Bill 185. Note that the two-year timeline will still apply to applications received between January 1, 2020, prior to Bill 185 receiving Royal Assent (i.e., June 6, 2024), where approval of the application was received prior to June 6, 2024;
- Inclusion of growth-related studies, including the D.C. background study, as a D.C.-eligible cost;
- A provision to permit the repeal of the expiry date for existing D.C. by-laws;
- To allow minor amendments related to the imposition of studies, removal of the mandatory phase-in, and extension of by-law expiry dates (subject to the 10-year limitations provided in the D.C.A.) to be undertaken for by-laws passed after November 28, 2022, and prior to Bill 185 taking effect (i.e., June 6, 2024); and



- To modernize public notice requirements, to allow municipalities to post D.C. public notices on municipal websites where newspapers of general circulation are not available.

The purpose of the addendum to the April 16, 2024, D.C.B.S. is to include all growth-related studies and update the associated D.C. calculation, reflect other changes in the D.C.A. as per Bill 185 (such as the changes to the D.C. “freeze” time period, and the removal of the statutory phase-in of the charges in the proposed new by-law). With the removal of the statutory phase-in from the D.C.A., the draft by-laws provided in the D.C.B.S., may now be contained in one by-law for all services and class of services.

The refinements, as they related to the calculation of the D.C.s are detailed in this report, and will form part of the D.C.B.S. for Council’s consideration and approval prior to adoption of the D.C. By-law. A revised draft proposed by-law is included herein, which embraces the legislative changes and updates to the calculate charges.



2. Addendum

This section of the addendum report provides an explanation for the above-noted refinements.

2.1 Growth-Related Studies

The D.C.A. permits the inclusion of studies undertaken to facilitate the completion of the Township's capital works program. These studies have been included within a class of services, based on the eligible D.C. services to which the growth-related studies relate.

In anticipation of the legislative change, the D.C.B.S. included a draft calculation related to a few growth-related studies. However, now that growth-studies are eligible for inclusion, Township staff have reviewed in detail the needs for future studies to fully or partially support growth. Therefore, draft calculation for this class of services has been updated, including allocating the studies based on the residential/non-residential proportionate shares for each of the eligible services to which the studies relate.

In aggregate, the study costs that have been identified total \$1,070,000. Deductions of \$467,400 related to the costs that benefit existing development, \$24,000 to recognize the cost which benefit non-D.C.-eligible services, and \$49,653 related to the current D.C. reserve fund, have been made. The net D.C. eligible costs for studies that have been considered with the calculation of the charge within the class of services totals \$528,947.

These costs have been allocated between residential and non-residential benefits based on the same shares identified for each applicable service. This results in an overall residential share of \$475,435 (90%), and non-residential share of \$53,512 (10%).

The refinements have increased the draft calculated D.C. for residential developments, and non-residential developments. The revised D.C. for a single and semi-detached residential dwelling unit related to Growth-Related Studies is \$4,283 (increasing from an estimate of \$1,300) and the D.C. for non-residential development is \$0.99 per sq.ft. of gross floor area (increasing from an estimate of \$0.59 per sq.ft.).



2.2 Impacts on the Calculated D.C.

Based on the changes identified, as noted above, the amended schedule of charges is presented in Table 2-1.



Table 2-1
Amended Schedule of Development Charges

Services/Class of Services	RESIDENTIAL				NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.ft. of Gross Floor Area)
Township-Wide Services:					
Services Related to a Highway	3,052	3,020	2,265	1,126	1.37
Fire Protection Services	1,411	1,397	1,047	521	0.64
Parks and Recreation Services	10,880	10,767	8,074	4,013	1.17
Library Services	232	230	172	86	0.03
Township-Wide Class of Services:					
Growth-Related Studies	4,283	4,238	3,178	1,580	0.99
Total Township-Wide Services/Class of Services	\$19,858	\$19,652	\$14,736	\$7,326	\$4.20



By comparison to the charges presented in the April 16, 2024, D.C.B.S., including the draft charges related to growth-related studies, and the amended total charge for a single and semi-detached residential dwelling would increase by \$2,983 (from \$16,875 to \$19,858). The non-residential charges presented in the D.C.B.S., would increase by \$0.40 per square foot of gross floor area (from \$3.80 to \$4.20), including the growth-related studies.

The updated charges presented herein (as per Table 2-2 to 2-3), provide a comparison to the current charges, the charges in the May 23, 2024, D.C.B.S, and the revised charges as per this addendum report. The comparison Tables are provided for a single and semi-detached residential dwelling unit and the cost per sq.ft. of G.F.A. for non-residential development.

Table 2-2
Comparison of Current, Calculated, and Amended D.C.s - Single-detached Dwelling

Services/Class of Services	Current	Calculated (as per D.C. Background Study, April 16, 2024)	Calculated (as per Addendum Report)
Township-Wide Services/Classes:			
Services Related to a Highway	9,665	3,052	3,052
Fire Protection Services	3,036	1,411	1,411
Parks and Recreation Services	2,058	10,880	10,880
Library Services	34	232	232
Growth Studies (Class of Services)	2,075	1,300	4,283
Total Township-Wide Services/Class of Services	\$16,868	\$16,875	\$19,858



Table 2-3
Comparison of Current, Calculated, and Amended D.C.s – Non-residential

Services/Class of Services	Current	Calculated (as per D.C. Background Study, April 16, 2024)	Calculated (as per Addendum Report)
Township-Wide Services/Classes:			
Services Related to a Highway	1.08	1.37	1.37
Fire Protection Services	0.35	0.64	0.64
Parks and Recreation Services	-	1.17	1.17
Library Services	-	0.03	0.03
Growth Studies (Class of Services)	0.16	0.59	0.99
Total Township-Wide Services/Class of Services	\$1.59	\$3.80	\$4.20



3. Changes to the D.C.B.S.

Based on the foregoing, the following revisions are made to the May 23, 2024 D.C.B.S. Accordingly, the amended pages are appended to this report:

- Table of Contents - Updated to reflect the changes summarized below;
- Executive Summary (pages ii to xi) - Updated to reflect the revised charges, based on the inclusion of all growth-related study costs, legislative changes, and updates to the page numbering; ii through ix;
- Pages 1-3 – Updated Figure 1-1 related to the D.C. process, to identify the Addendum release date. Further, textual changes have been made throughout these pages related to legislative changes;
- Pages 1-8 to 1-11 – Updated to reflect legislative changes;
- Pages 4-6 to 4-8 – Section 4.2 (textual updates), Table 4-1B, Section 4.5 updated to reflect the eligible funding of growth-related study costs, and Section 4.7 updated to reflect the enactment of Bill 185 to identify growth-related studies as a class of services;
- Pages 4-12 and 4-13 – Section 4.9.8 removed related to the Mandatory phase-in of a D.C. and Section 4.9.9, renumbered to Section 4.9.8 accordingly;
- Pages 5-1, 5-5 to 5-6, 5-11 to 5-12 – Updated to reflect the revision to the Growth-Related Studies Class of Services capital program, along with new Table 5-5 providing the capital program for growth-related studies and Table 5-6 providing the residential and non-residential splits for Growth-Related Studies;
- Pages 6-1 to 6-4 – Chapter 6 updated to include the growth-related study costs calculations, including all supporting tables in this chapter;
- Pages 7-2 to 7-8:
 - Section 7.2 updated to identify the class of services for growth-related studies;
 - Section 7.3.2 updated to include growth-related study costs allocation;
 - Section 7.3.4 updated to reflect the full exemptions for affordable and attainable residential units in effect as of June 1, 2024;
 - Section 7.3.5 removed related to the Mandatory Phasing in of charges with the removal of this requirement, and all other sections following renumbered accordingly;
 - Section 7.3.6 (renumbered to 7.3.5) updated to reflect legislative changes related to the D.C. “rate freeze;”



- Section 7.3.8 (now renumbered to Section 7.3.7) updated to note the inclusion of growth-related studies to be applied on a Township-wide basis;
- Section 7.4.1 added to reflect legislative changes and recommend a separate reserve fund for the growth-related studies class of services; and
- Section 7.5 updated to reflect this addendum and the class of services for the growth-related studies and reference one by-law for all services and class of services.
- Page C-3 – Updated Table C-2 to reflect changes to the operating and capital expenditure impact for future capital expenditures due to the inclusion of Growth-Related Studies;
- Pages D-5 to D-9 – Updated Tables D-1 to D-3 to reflect the growth-related studies class of services and added Table D-6 to provide a schedule with the description of services and class of services for which each D.C. reserve fund was established;
- Appendix F – Updated asset management information based on the inclusion of growth-related studies in the D.C. calculations;
- Appendix G – Updated proposed by-law to reflect the inclusion of growth-related study costs as a class of services, include other legislative changes, due to the enactment of Bill 185; include all services and class of services into one by-law (See Appendix G);
- Remove Appendices H through J – individual by-laws for Fire Protection Services, Parks and Recreation Service and Library Services, respectively, due to collapsing all services into one by-law (see Appendix G);
- Throughout the report - updated page numbering, including additional pages, due to this addendum report, where required;
- Throughout the report – updated references to proposed “by-laws” to “by-law.”



4. Process for Adoption of the D.C. By-law

The revisions provided herein form the basis for the proposed D.C. by-law and will be incorporated into the D.C.B.S. to be provided to Council prior to Council's consideration and adoption of the proposed D.C. by-law.

If Council is satisfied with the above noted changes to the D.C.B.S. and D.C. by-law, then prior to by-law passage Council must:

- Approve the D.C.B.S., as amended;
- Determine that no further public meetings are required on the matter; and
- Adopt the new D.C. by-law.



Appendices



Appendix A

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- D.C. reserve funds (where applicable);
 - 5) Net capital costs are then allocated between residential and non-residential development types; and
 - 6) Net costs divided by the anticipated development to provide the D.C.
- (c) Subsequent to the passage of the Township's 2019 D.C. By-law and 2021 D.C. Update Study, a number of amendments to the D.C.A. have taken place. These changes have been incorporated throughout the report and in the draft by-laws, as necessary. The legislative Acts that have amended the D.C.A. include the following (details of each Act are provided in Chapter 1 of this report):
- Bill 109: *More Homes for Everyone Act, 2022*
 - Bill 23: *More Homes Built Faster Act, 2022*
 - Bill 97: *Helping Homebuyers, Protecting Tenants Act, 2023*;
 - Bill 134: *Affordable Homes and Good Jobs Act, 2023*; and
 - Bill 185: *Cutting Red Tape to Build More Homes Act, 2024*.

A summary of some of the revisions provided from these Acts are outlined below:

- Limiting D.C. eligible services;
- Historical level of service calculation extended to a 15-year period;
- Capital cost definition revised to remove studies and prescribe services for which land or an interest in land will be restricted (no services currently prescribed);
- Rental and institutional development pay D.C.s in six equal annual payments commencing at occupancy;
- The determination^[1] of D.C.s for development occurring within two years of a site plan or zoning by-law amendment planning approval for applications received and approved between January 1, 2020, and June 5, 2024, and for development occurring within 18 months of a site plan or zoning by-law amendment planning approval for applications received on

¹ With charges determined at the time of planning application



or after January 1, 2020 where approval has not been granted prior to June 6, 2024;

- Maximum Interest Rate for Installments and Determination of Charge for Eligible Site Plan and Zoning By-law Amendment Applications to be set at the average prime rate plus 1%;
- Additional residential unit exemption includes allowance of a third unit as-of-right;
- Statutory exemptions for Affordable Residential Units, Attainable Residential Units, and Affordable Residential Inclusionary Zoning Units;
- Statutory exemption for non-profit housing;
- Mandatory discount for rental housing, based on the number of bedrooms;
- Maximum life of a D.C. by-law extended from 5 years to 10 years after the by-law comes into force;
- Requirement to Allocate Funds Received – municipalities are required to spend or allocate at least 60% of their reserve fund at the beginning of the year for water, wastewater, and services related to a highway; and
- Additional requirements related to the annual D.C. reserve fund Treasurer's statement (See Appendix D for further details).

- (d) The growth forecast (provided in Chapter 3) on which the Township-wide Services D.C. is based, projects the following population, housing, and non-residential floor area for the 10-year (2023 to 2032) forecast period.

Table ES-1
Township of Mulmur
Summary of Anticipated Township-Wide D.C. Growth

Measure	10 Year (2024 to 2033)
(Net) Population Increase	296
(Gross) Population Increase in New Households	331
Residential Unit Increase	114
Non-Residential Gross Floor Area Increase (sq.ft.)	54,100



- (e) The capital costs identified in Table ES-2 demonstrate the total D.C. eligible capital costs arising from the growth forecast for each eligible service as detailed further in Chapter 5. In total, gross capital costs of approximately \$9.3 million have been identified as growth needs for the 10-year term of the D.C. by-law based on discussions with Township Staff. Of this gross amount, \$938,000 is related to growth needs beyond the forecast period included in the D.C. calculation and will be included in future D.C. studies. Other deductions of approximately \$1.78 million relate to the portion of shared fire and library services capital costs that other partner municipalities are responsible for. In addition, approximately \$4.1 million of the gross cost relate to the portion of capital projects that will benefit the existing community. Finally, deductions related to grants, subsidies, and other contributions (i.e., local requirements of developing landowners) in the amount of \$100,000 have been made. The resultant net growth-related costs included in the D.C. calculations is approximately \$2.43 million, of which approximately \$2.20 is attributed to residential development and \$0.23 million is allocated to non-residential development, respectively.



Table ES-2
Township of Mulmur
Summary of Anticipated Costs in the Term of the By-laws

Description	Value (2024\$)
Total gross expenditures planning over the next 10 years	\$9,299,980
Less: Benefit to Existing Development & Existing D.C. Reserve Funds	\$4,055,297
Less: Post Planning Period Benefit	\$938,000
Less: Share of Services to be Funded by Partner Municipalities	\$1,775,250
Less: Grants, Subsidies, and Other Contributions	\$100,000
Net Costs to be Recovered from D.C.s	\$2,431,433

The D.C.A. requires a summary be provided of the gross capital costs and the net costs to be recovered over the life of the by-laws (i.e., 10-years). This calculation is provided by service and is presented in Table 6-3.

- (f) The capital costs identified in Table ES-3 demonstrate the total D.C. eligible capital costs arising from the growth forecast for each eligible service as detailed further in Chapter 5. In total, gross capital costs of approximately \$9.3 million have been identified as growth needs. Of this gross amount, total deductions of approximately \$6.87 million, including existing D.C. reserve funds, benefit to existing, post period benefit, other contributions, and grants, subsidies and other contributions, the net amount included in the D.C. calculation is approximately \$2.43 million.



Table ES-3
Township of Mulmur
Summary of Capital Costs to be Included in the D.C. Calculations

Services/Class of Services	Forecast Period	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions (to recognize benefit to non-D.C. services)	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
						Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
Services Related to a Highway	2024 to 2033	589,800	-	-	589,800	176,630	-	413,170	338,799	74,371
Fire Protection Services	2024 to 2033	2,127,080	-	1,706,500	420,580	229,612	-	190,968	156,593	34,374
Parks and Recreation Services	2024 to 2033	5,338,900	938,000	-	4,400,900	3,129,651	-	1,271,249	1,207,686	63,562
Library Services	2024 to 2033	174,200	-	44,750	129,450	2,351	100,000	27,099	25,744	1,355
Growth-Related Studies	2024 to 2033	1,070,000	-	24,000	1,046,000	517,053	-	528,947	475,435	53,512
Total		\$9,299,980	\$938,000	\$1,775,250	\$6,586,730	\$4,055,297	\$100,000	\$2,431,433	\$2,204,258	\$227,174
Proportion of Gross Capital Cost Estimate		100%	10%	19%		44%	1%	26%		



- (g) At present, the Township imposes D.C.s on residential and non-residential uses in accordance with By-law 30-19. The Township is undertaking a D.C. public process and anticipates passing D.C. by-laws for each service identified in the D.C. Background Study. The mandatory public meeting has been set for May 1, 2024, with adoption of the D.C. by-laws anticipated for July 3, 2024

This report has undertaken a recalculation of the residential and non-residential charges based on future identified needs (summarized in Table ES-2). The following services and class of services are calculated based on a Township-wide basis for the forecast period:

Services:

- Services Related to a Highway;
- Fire Protection Services;
- Parks and Recreation Services; and
- Library Services.

Class of Services

- Growth-Related Studies.

- (h) The calculated D.C. for a single detached unit is \$19,858. The calculated non-residential charge is \$4.20 per sq.ft. of gross floor area. Table ES-4 provides the full calculated D.C.s for residential and non-residential developments.

Table ES-4
Township of Mulmur
Calculated Schedule of Development Charges

Services/Class of Services	RESIDENTIAL				NON-RESIDENTIAL (per sq.ft. of Gross Floor Area)
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	
Township-Wide Services:					
Services Related to a Highway	3,052	3,020	2,265	1,126	1.37
Fire Protection Services	1,411	1,397	1,047	521	0.64
Parks and Recreation Services	10,880	10,767	8,074	4,013	1.17
Library Services	232	230	172	86	0.03
Township-Wide Class of Services:					
Growth-Related Studies	4,283	4,238	3,178	1,580	0.99
Total Township-Wide Services/Class of Services	\$19,858	\$19,652	\$14,736	\$7,326	\$4.20



- (i) Tables ES-5 and ES-6 provide a comparison of the Township's current D.C.s with the full calculated charges. These comparisons are provided for a single-detached residential dwelling unit and non-residential development on a per sq.ft. of gross floor basis, respectively.

Table ES-5
Township of Mulmur
Single-detached Dwelling Development Charge Comparison

Services/Class of Services	Current	Calculated (as per D.C. Background Study, April 16, 2024)	Calculated (as per Addendum Report)
Township-Wide Services/Classes:			
Services Related to a Highway	9,665	3,052	3,052
Fire Protection Services	3,036	1,411	1,411
Parks and Recreation Services	2,058	10,880	10,880
Library Services	34	232	232
Growth Studies (Class of Services)	2,075	1,300	4,283
Total Township-Wide Services/Class of Services	\$16,868	\$16,875	\$19,858

Table ES-6
Township of Mulmur
Non-residential Development Charge Comparison per sq.ft. of Gross Floor Area

Services/Class of Services	Current	Calculated (as per D.C. Background Study, April 16, 2024)	Calculated (as per Addendum Report)
Township-Wide Services/Classes:			
Services Related to a Highway	1.08	1.37	1.37
Fire Protection Services	0.35	0.64	0.64
Parks and Recreation Services	-	1.17	1.17
Library Services	-	0.03	0.03
Growth Studies (Class of Services)	0.16	0.59	0.99
Total Township-Wide Services/Class of Services	\$1.59	\$3.80	\$4.20

- (j) Considerations by Council – The D.C. Background Study represents the increase in need for service and associated net capital costs attributable to residential and non-residential development over the 10-year forecast period.



Chapter 7 herein, provides the D.C. by-law policy recommendations and rules that govern the imposition of the charges. Council will consider the findings and recommendations provided herein and, in conjunction with public input, approve such policies and rates it deems appropriate. These directions will refine the draft D.C. by-laws for each service, which are appended in Appendices G through J herein. These decisions may include:

- adopting the charges and policies recommended herein;
- considering additional exemptions to the D.C. by-laws; and
- considering reductions in the charge (obtained by removing certain services or capital costs on which the charge is based and/or by a general reduction in the charge).

As the D.C.A. does not allow for any exempted or reduced amount to be made up through higher D.C.s from other development, any such decision would require the consideration of an alternative (i.e., non-D.C.) funding source provided by the Township.



Process Steps	Dates
Public release of Addendum Report to April 16, 2024 D.C. Background Study	July 2, 2024
Council considers adoption of background study and passage of by-laws	July 3, 2024
Newspaper notice given of by-law passage	By 20 days after passage
Last day for by-law appeal	40 days after passage
Township makes pamphlet available (where by-law not appealed)	By 60 days after in force date

1.3 Changes to the Development Charges Act, 1997

Since the Township's 2021 D.C. update study, a number of changes to the Development Charges Act, 1997 have been introduced through various legislation including the following:

- *More Homes for Everyone Act, 2022 (Bill 109);*
- *More Homes Built Faster Act, 2022 (Bill 23);*
- *Helping Homebuyers, Protecting Tenants Act, 2023 (Bill 97);*
- *Affordable Homes and Good Jobs Act, 2023 (Bill 134); and*
- *Bill 185: Cutting Red Tape to Build More Homes Act, 2024.*

The following provides an overview of the amendments to the D.C.A. that each of these pieces of legislation provided.

1.3.1 *More Homes for Everyone Act, 2022 (Bill 109)*

On April 14, 2022, the *More Homes for Everyone Act, 2022* received Royal Assent. One of the D.C.A. amendments, and O. Reg. 438/22, prescribed additional information to be included in the annual Treasurer's Statement on D.C. reserve funds and its



Bill 134 received Royal Assent on December 4, 2023 and provides for a modification to the affordable residential unit definition by:

- Introducing an income-based test for affordable rent and purchase price; and
- Increasing the threshold for the market test of affordable rent and purchase price.

This change provides the exemption based on the lesser of the two measures.

Moreover, the rules in subsection 4.1 of the D.C.A. are unchanged with respect to:

- The tenant and purchaser transacting the affordable unit being at arm's length;
- The intent of maintaining the affordable residential unit definition for a 25-year period, requiring an agreement with the municipality (which may be registered on title); and
- Exemptions for attainable residential units and associated rules (requiring further regulations).

The following table provides the provided through Bill 134 (underlining added for emphasis).

Table 1-1
Definition of Affordable Residential Units

Item	Bill 134 Definition (as per D.C.A.)
Affordable residential unit rent (subsection 4.1 (2), para. 1)	The rent is no greater than <u>the lesser of</u> , <ul style="list-style-type: none">i. the <u>income-based affordable rent</u> for the residential unit set out in the Affordable Residential Units bulletin, as identified by the Minister of Municipal Affairs and Housing in accordance with subsection (5), andii. the <u>average market rent</u> identified for the residential unit set out in the Affordable Residential Units bulletin.
Average market rent/rent based on income (subsection 4.1 (5)) for the purposes of subsection 4.1 (2), para. 1	The Minister of Municipal Affairs and Housing shall, <ul style="list-style-type: none">(a) determine the <u>income of a household</u> that, in the Minister's opinion, is <u>at the 60th percentile of gross annual incomes for renter households in the applicable local municipality</u>; and(b) identify the <u>rent</u> that, in the Minister's opinion, is <u>equal to 30 per cent of the income of the household</u> referred to in clause (a).
Affordable residential unit ownership (subsection 4.1 (3), para. 1)	The price of the residential unit is no greater than <u>the lesser of</u> , <ul style="list-style-type: none">i. the <u>income-based affordable purchase price</u> for the residential unit set out in the Affordable Residential Units



Item	Bill 134 Definition (as per D.C.A.)
	bulletin, as identified by the Minister of Municipal Affairs and Housing in accordance with subsection (6), and ii. <u>90 per cent of the average purchase price</u> identified for the residential unit set out in the Affordable Residential Units bulletin.
Average market purchase price/purchase price based on income (subsection 4.1 (6)) for the purposes of subsection 4.1 (3), para. 1	The Minister of Municipal Affairs and Housing shall, (a) determine the <u>income of a household</u> that, in the Minister's opinion, is at the <u>60th percentile of gross annual incomes for households in the applicable local municipality</u> ; and (b) identify the <u>purchase price</u> that, in the Minister's opinion, <u>would result in annual accommodation costs equal to 30 per cent of the income of the household</u> referred to in clause (a)

As noted, the bulletin was released on May 1, 2024, which provides the information for the Township to measure against for determining the applicability of the exemption from the D.C. (as well as C.B.C. and Parkland requirements). The bulletin provides the following information is specific to the Township (it is noted that the Bulletin will be updated annually):

- For Affordable Ownership Units: Table 1-2 indicates the average household income in the Township provides the amount to be measured against as the 90% of average purchase prices is greater for unit types (note applicable thresholds are in bold font).

Table 1-2
Threshold for Affordable Residential Ownership Units

Units	90% of Average Purchase Price in the Township	Cost of House Based on Average Household Income in the Township
Detached House	\$1,116,000	\$485,100
Semi-Detached House	\$603,000	\$485,100
Row/townhouse	\$639,000	\$485,100



Units	90% of Average Purchase Price in the Township	Cost of House Based on Average Household Income in the Township
Condominium Apartment	\$531,000	\$485,100

- For Affordable Rental Units: The average market rent for a bachelor, 1-bedroom, 2-bedroom, and for units with 3 or more bedrooms, is lower than the average household income in the Township and therefore, provides the amount to be measured against, being where monthly rent is lower than the average market rent provided in Table 1-3 (note applicable thresholds are in bold font).

Table 1-3
Threshold for Affordable Residential Rental Units

Units	Average Monthly Market Rent in the Township	Rent Based on Average Household Income in the Township
Bachelor unit	\$984	\$2,040
1-Bedroom unit	\$1,285	\$2,040
2-Bedroom unit	\$1,414	\$2,040
3 or more Bedrooms	\$1,543	\$2,040

1.3.5 *Cutting Red Tape to Build More Homes Act, 2024 (Bill 185)*

The Cutting Red Tape to Build More Homes Act, 2024 (Bill 185), was introduced on April 10, 2024, and received Royal Assent on June 6, 2024. This Act amends the D.C.A as follows:

- Reintroduces studies as an eligible cost for services, including a D.C. background study;
- Removes the mandatory phase-in of a D.C. by-law;



- Reduces the time period for the determination of a D.C. applicable to site plan and zoning by-law amendment applications, whereby the time period between the building permit issuance and planning application approval is reduced to 18 months from two years (note, the two-year time period still applies to applications received and approved between January 1, 2020, and June 5, 2024;
- Permits the repeal of the date the D.C. by-law expires (allowing for the 10-year by-law term provided in the D.C.A.);
- Allows minor D.C. by-law amendments related to the inclusion of studies, removal of the mandatory phase-in of a D.C. by-law and removal of expiry date for by-laws passed between November 28, 2022, and June 6, 2024; and
- Permits municipalities to publish D.C. public notice on municipal websites where newspapers of general circulation are not available.
- As Bill 185 has been enacted, this D.C. Background Study includes the cost of studies, and the other amendments made to the D.C.A. as noted above (where applicable).



Categories of Municipal Services	Inclusion in the D.C. Calculation	Service Components
20. Other	No Yes	20.1 Interest on money borrowed to pay for growth-related capital 20.2 Studies in connection with eligible services, including the D.C. background study

4.4 Local Service Policy

Some of the need for services generated by additional development consists of local services related to a plan of subdivision. As such, they will be required as a condition of subdivision agreements or consent conditions. The Township's Local Service Policy is included in Appendix E.

4.5 Capital Forecast

Paragraph 7 of subsection 5 (1) of the D.C.A. requires that “the capital costs necessary to provide the increased services must be estimated.” The Act goes on to require two potential cost reductions and the regulation sets out the way in which such costs are to be presented. These requirements are outlined below.

These estimates involve capital costing of the increased services discussed above. This entails costing actual projects or the provision of service units, depending on how each service has been addressed.

The capital costs include:

- a. costs to acquire land or an interest therein (including a leasehold interest);
- b. costs to improve land;
- c. costs to acquire, lease, construct or improve buildings and structures;
- d. costs to acquire, lease or improve facilities, including rolling stock (with a useful life of 7 or more years), furniture and equipment (other than computer equipment), materials acquired for library circulation, reference, or information purposes;
- e. interest on money borrowed to pay for the above-referenced costs; and



- f. costs to undertake studies in connection with the above-referenced matters (include costs of the D.C. background study).

In order for an increase in need for service to be included in the D.C. calculation, Municipal Council must indicate “that it intends to ensure that such an increase in need will be met” (subsection 5 (1) 3). This can be done if the increase in service forms part of a Council-approved Official Plan, capital forecast, or similar expression of the intention of Council (O. Reg. 82/98 section 3). The capital program contained herein reflects the Municipality’s approved and proposed capital budgets and master servicing/needs studies.

4.6 Treatment of Credits

Section 8, paragraph 5, of O. Reg. 82/98 indicates that a D.C. background study must set out “the estimated value of credits that are being carried forward relating to the service.” Subsection 17, paragraph 4, of the same regulation indicates that, “...the value of the credit cannot be recovered from future D.C.s,” if the credit pertains to an ineligible service. This implies that a credit for eligible services can be recovered from future D.C.s. As a result, this provision should be made in the calculation, in order to avoid a funding shortfall with respect to future service needs.

Currently, there are no outstanding credits to be included in the D.C. calculations.

4.7 Class of Services

Section 7 of the D.C.A. states that a D.C. by-law may provide for any D.C. eligible service or the capital costs with respect to those services. Further, a class may be composed of any number or combination of services and may include parts or portions of each D.C. eligible services. With respect to growth-related studies, section 7(3) of the D.C.A. states that:

“For greater certainty, a development charge by-law may provide for a class consisting of studies in respect of any service listed in subsection 2 (4) whose capital costs are described in paragraphs 5 and 6 of subsection 5 (3)”.



These provisions allow for services to be grouped together to create a class for the purposes of the D.C. by-law and D.C. reserve funds. Currently the growth-related studies have been provided as a class of services.

4.8 Existing Reserve Funds

Section 35 of the D.C.A. states that:

“The money in a reserve fund established for a service may be spent only for capital costs determined under paragraphs 2 to 7 of subsection 5 (1).”

There is no explicit requirement under the D.C.A. calculation method set out in s. 5 (1) to net the outstanding reserve fund balance as part of making the D.C. calculation; however, section 35 does restrict the way in which the funds are used in future.

For services that are subject to a per-capita-based, service level “cap,” the reserve fund balance should be applied against the development-related costs for which the charge was imposed once the project is constructed (i.e., the needs of recent growth). This cost component is distinct from the development-related costs for the next 10-year period, which underlie the D.C. calculation herein.

The alternative would involve the Township spending all reserve fund monies prior to renewing each by-law, which would not be a sound basis for capital budgeting. Thus, the Township will use these reserve funds for the Township’s cost share of applicable development-related projects, which are required but have not yet been undertaken, as a way of directing the funds to the benefit of the development which contributed them (rather than to future development, which will generate the need for additional facilities directly proportionate to future growth).

The Township’s projected D.C. reserve fund balance, less outstanding commitments related to prior year capital approvals, by service as of December 31, 2023, is provided in Table 4-2:



contributions required due to the local service policy) made or anticipated by Council and in accordance with various rules such as the attribution between the share related to new vs. existing development. That is, some grants and contributions may not specifically be applicable to growth or where Council targets fundraising as a measure to offset impacts on taxes (O. Reg. 82/98, section 6).

4.9.5 Municipal-wide vs. Area-Specific

This step involves determining whether all of the subject costs are to be recovered on a uniform municipal-wide basis or whether some or all are to be recovered on an area-specific basis. Under the amended D.C.A., it is now mandatory to “consider” area-rating of services (providing charges for specific areas and services); however, it is not mandatory to implement area rating. Further discussion is provided in section 7.3.8.

4.9.6 Allocation of Development

This step involves relating the costs involved to anticipated development for each period under consideration and using allocations between residential and non-residential development and between one type of development and another, to arrive at a schedule of charges.

4.9.7 Asset Management

The legislation now requires that a D.C. background study must include an asset management plan (subsection 10 (2) c.2). The asset management plan (A.M.P.) must deal with all assets that are proposed to be funded, in whole or in part, by D.C.s. The current regulations provide very extensive and specific requirements for the A.M.P. related to transit services (as noted in the subsequent subsection); however, they are silent with respect to how the A.M.P. is to be provided for all other services. As part of any A.M.P., the examination should be consistent with the municipality’s existing assumptions, approaches, and policies on asset management planning. This examination has been included in Appendix F.

4.9.8 Mandatory Discount for Rental Housing Development

For all rental housing developments that are subject to D.C.s, where a by-law is passed after November 28, 2022, the charge is discounted for the rental housing development relative to the maximum charge that could be imposed under the by-law. The amount of the discount is dependant on the number of bedrooms in each unit, as follows:



1. Residential units intended for use as a rented residential premises with three (3) or more bedrooms – 25% discount.
2. Residential units intended for use as a rented residential premises with two (2) bedrooms – 20% discount.
3. Residential units intended for use as a rented residential premises not referred to 1 or 2 above – 15% discount.

Note that these discounts are not part of the methodology required for calculating the charge, but a rule that has to be included in the by-laws which informs implementation.



5. D.C. Eligible Cost Analysis by Service

5.1 Introduction

This chapter outlines the basis for calculating eligible costs for the D.C.s to be applied on a uniform basis for the defined service areas. In each case, the required calculation process set out in subsection 5 (1) paragraphs 2 to 7 in the D.C.A., and described in Chapter 4, was followed in determining D.C. eligible costs.

The service component is evaluated on two format sheets:

- The service standards that provide the average historical 15-year level of service calculation (see Appendix B), which “caps” the D.C. amounts; and
- The infrastructure cost calculation, which determines the potential D.C. recoverable cost.

The nature of the capital projects and timing identified in the Chapter reflect Council’s current intention. Over time, however, Township projects and Council priorities may change; accordingly, Council’s intentions may be altered, and different capital projects (and timing) may be necessary to meet the need for services required by new growth.

5.2 Service Levels and 10-Year Capital Costs for Township-wide D.C. Services and Class of Services Calculations

This section evaluates the development-related capital requirements for all Township-wide services and class of services over a 10-year planning period.

5.2.1 *Services Related to a Highway*

The Township’s inventory of roadways is measured in kilometres (km) and is further classified as paved and unpaved roads, along with barrier/guiderrails/posts. The Township currently owns 227.32 km of D.C. eligible roads, of which 169.22 km are paved, 55.7 are unpaved, and 2.40 km of barrier/guiderrails/posts. Additionally, the Township owns and maintains a total of 122 bridges, culverts, and structures along with 29 streetlights along D.C. eligible roads. Further, 21,288 sq.ft. of roads operations facility space is owned and used by the Township for Services Related to a Highway, along with approximately 21 vehicles and equipment to service the roads.



also been made. As a result, the Township's total D.C. recoverable cost of approximately \$27,100 has been included in the charge. As the predominate users of Library Services tend to be residents, the forecast D.C. recoverable costs have been allocated 95% to residential and 5% for non-residential development. This allocation equates to approximately \$25,740 and \$1,355 has been attributed to residential and non-residential developments, respectfully (see Table 5-4).

5.2.5 Growth-Related Studies

Section 7 of the D.C.A. states that a D.C. by-law may provide for any D.C. eligible service or the capital costs with respect to those services. Further, a class may be composed of any number or combination of services and may include parts or portions of each D.C. eligible services. With respect to growth-related studies, Section 7 (3) of the D.C.A. states that:

For greater certainty, a development charge by-law may provide for a class consisting of studies in respect of any service listed in subsection 2 (4) whose capital costs are described in paragraphs 5 and 6 of subsection 5 (3).

These provisions allow for services to be grouped together to create a class for the purposes of the D.C. by-law and D.C. reserve funds. The D.C. calculations and draft by-law provided herein include a class for growth-related studies. This class is comprised of the following municipal-wide services:

- Services Related to a Highway;
- Fire Protection Services;
- Parks and Recreation Services; and
- Library Services.

The following provides a list of the studies that have been identified for the 2024 to 2034 forecast period:

- Development Charge Studies;
- Official Plan Update;
- Zoning By-law Update;
- Design Standards;
- Wastewater Treatment Expansion Environmental Assessment;



- Roads Needs Study;
- Mansfield North Recreational Master Plan; and
- Parks & Recreation Master Plan.

The total cost of these studies is approximately \$1.07 million. After deducting \$467,400 for the benefit to existing share, \$24,000 to recognize the benefit to non-D.C.-eligible services that some studies will include, and the balance in the D.C. reserve fund of \$49,562, the D.C. eligible costs for studies that have been considered with the calculation of the charge within the class of services total approximately \$528,947 as presented in Table 5-5.

For planning related studies, a deduction of 10% of the growth-related costs have been applied to recognize the extent to which the studies relate to non-D.C.-eligible services. Planning related studies and future D.C. background studies have been allocated to the services in the following manner:

- Services Related to a Highway – 22%
- Fire Protection Services – 10%
- Parks and Recreation Services – 67%
- Library Services – 1%

The allocation of the net growth-related costs between residential and non-residential development is based on the residential and non-residential allocations for each service area and are presented in Table 5-6 below (resulting in an overall split of 90% residential and 10% non-residential).



Table 5-5
Township of Mulmur
Infrastructure Costs Included in the Development Charge Calculation
Growth-Related Studies Class of Services

Proj. No.	Increased Service Needs Attributable to Anticipated Development	Timing (year)	Service to Which Project Relates	Gross Capital Cost Estimate (2024\$)	Post Period Benefit	Other Deductions (to recognize benefit to non-D.C. services)	Net Capital Cost	Less:		Potential D.C. Recoverable Cost		
								Benefit to Existing Development	Grants, Subsidies and Other Contributions Attributable to New Development	Total	Residential Share	Non-Residential Share
	2024 to 2033											
1	Development Charges Study	2024	All Services	30,000	-	-	30,000	-	-	30,000	27,262	2,738
2	Development Charges Study	2033	All Services	30,000	-	-	30,000	-	-	30,000	27,261	2,739
3	Official Plan Update	2025	All Services	150,000	-	15,000	135,000	54,000	-	81,000	73,606	7,394
4	Zoning By-law Update	2026	All Services	40,000	-	4,000	36,000	14,400	-	21,600	19,301	2,299
5	Design Standards	2025	All Services	50,000	-	5,000	45,000	18,000	-	27,000	24,535	2,465
6	Wastewater Treatment Expansion Environmental Assessment	2033	Wastewater Services	300,000	-	-	300,000	150,000	-	150,000	123,000	27,000
7	Mansfield North Recreational Master Plan	2030	Parks and Recreation Services	400,000	-	-	400,000	200,000	-	200,000	190,000	10,000
8	Roads Need Study	2025	Services Related to a Highway	30,000	-	-	30,000	15,000	-	15,000	12,300	2,700
9	Parks & Recreation Master Plan	2025	Parks and Recreation Services	40,000	-	-	40,000	16,000	-	24,000	22,800	1,200
10	Reserve Fund Adjustment		All Services	-	-	-	-	49,653	-	(49,653)	(44,630)	(5,023)
	Total			1,070,000	-	24,000	1,046,000	517,053	-	528,947	475,435	53,512



Table 5-6
Infrastructure Costs Covered in the D.C. Calculation
Growth-Related Studies – Residential/Non-Residential Shares

Services	Total	Residential Share	Non-Residential Share
Services Related to a Highway	49,388	40,886	8,502
Fire Protection Services	18,950	15,687	3,262
Parks and Recreation Services	301,827	287,496	14,332
Library Services	8,782	8,366	416
Wastewater Services	150,000	123,000	27,000
Total	\$528,947	\$475,435	\$53,512
Growth-Related Studies Class of Services Residential/Non-Residential Percentage Shares		90%	10%



6. D.C. Calculation

Table 6-1 calculates the proposed uniform D.C.s to be imposed for each service and class of services (Services Related to a Highway, Fire Protection Services, Parks & Recreation Services, Library Services, and growth-related studies) on development within the Township's 10-year forecast period (2024-2033).

The calculation for residential development is generated on a per capita basis and is based upon four (4) forms of housing types (singles and semi-detached dwellings, other multiple dwellings, bachelor and 1-bedroom apartments, and 2+ bedrooms apartments). The non-residential D.C. has been calculated on a uniform per sq.ft. of G.F.A. basis for all types of non-residential development (industrial, commercial, institutional, and primary).

The D.C. eligible costs for each service and class of services component were determined in Chapter 5 for all Township-wide services and class of services, based on their associated proposed capital programs.

For the residential calculations, the total cost is divided by the "gross" (new resident) population to determine the per capita amount. The residential D.C. recoverable capital cost calculations set out in Chapter 5 are based on the net anticipated population increase (the forecast new unit population less the anticipated decline in existing units). The cost per capita is then multiplied by the average occupancy of the new units (Appendix A, Schedule 5) to calculate the charges in Table 6-1.

Table 6-2 provides the schedule of charges that is applicable for all services and class of services by type of development, and Table 6-3 summarizes the gross capital expenditures and sources of revenue for works to be undertaken during the 10-year life of the by-laws.



Table 6-1
Township of Mulmur
Township-wide Services D.C. Calculation
2024-2033

SERVICES/CLASS OF SERVICES	2024\$ D.C.-Eligible Cost		2024\$ D.C.-Eligible Cost	
	Residential	Non-Residential	S.D.U.	per sq.ft.
	\$	\$	\$	\$
1. <u>Services Related to a Highway</u>				
1.1 Roads and related, facilities, vehicles & equipment	338,799	74,371	3,052	1.37
2. <u>Fire Protection Services</u>				
2.1 Fire facilities, vehicles & equipment	156,593	34,374	1,411	0.64
3. <u>Parks and Recreation Services</u>				
3.1 Park development, amenities, trails, recreation facilities, vehicles, and equipment	1,207,686	63,562	10,880	1.17
4. <u>Library Services</u>				
4.1 Library facilities and collection materials	25,744	1,355	232	0.03
5. <u>Growth-Related Studies</u>				
5.1 Growth-Related Studies	475,435	53,512	4,283	0.99
TOTAL	\$2,204,258	\$227,174	\$19,858	\$4.20
D.C.-Eligible Capital Cost	\$2,204,258	\$227,174		
10-Year Gross Population/GFA Growth (sq.ft.)	331	54,100		
Cost Per Capita/Non-Residential GFA (sq.ft.)	\$6,659.39	\$4.20		
By Residential Unit Type	P.P.U.			
Single and Semi-Detached Dwelling	2.982	\$19,858		
Other Multiples	2.951	\$19,652		
Apartments - 2 Bedrooms +	2.213	\$14,737		
Apartments - Bachelor and 1 Bedroom	1.100	\$7,325		



Table 6-2
Township of Mulmur
Township-wide Services and Class of Services D.C. Calculation
2024-2033

Services/Class of Services	RESIDENTIAL				NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.ft. of Gross Floor Area)
Township-Wide Services:					
Services Related to a Highway	3,052	3,020	2,265	1,126	1.37
Fire Protection Services	1,411	1,397	1,047	521	0.64
Parks and Recreation Services	10,880	10,767	8,074	4,013	1.17
Library Services	232	230	172	86	0.03
Township-Wide Class of Services:					
Growth-Related Studies	4,283	4,238	3,178	1,580	0.99
Total Township-Wide Services/Class of Services	\$19,858	\$19,652	\$14,736	\$7,326	\$4.20



Table 6-3
Township of Mulmur
Gross Expenditure and Sources of Revenue Summary for Costs
to be Incurred over the 10-Year Life of the By-laws

Services/Class of Services	Total Gross Cost	Sources of Financing					
		Tax Base or Other Non-D.C. Source			Post D.C. Period Benefit	D.C. Reserve Fund	
		Other Deductions	Benefit to Existing	Other Funding		Residential	Non-Residential
1. Services Related to a Highway							
1.1 Roads and related, facilities, vehicles & equipment	589,800	-	176,630	-	-	338,799	74,371
2. Fire Protection Services							
2.1 Fire facilities, vehicles & equipment	2,127,080	1,706,500	229,612	-	-	156,593	34,374
3. Parks and Recreation Services							
3.1 Park development, amenities, trails, recreation facilities, vehicles, and equipment	5,338,900	-	3,129,651	-	938,000	1,207,686	63,562
4. Library Services							
4.1 Library facilities and collection materials	174,200	44,750	2,351	100,000	-	25,744	1,355
5. Growth-Related Studies							
5.1 Growth-Related Studies	1,070,000	24,000	517,053	0	0	475,435	53,512
Total Expenditures & Revenues	\$9,299,980	\$1,775,250	\$4,055,297	\$100,000	\$938,000	\$2,204,258	\$227,174



7.2 D.C. By-law Structure

It is recommended that:

- The Township uses a uniform Township-wide D.C. calculation for all services and class of services;
- The Township uses one D.C. by-law for all eligible services and class of services to be recovered through D.C.s.

7.3 D.C. By-law Rules

The following sets out the recommended rules governing the calculation, payment, and collection of D.C.s in accordance with subsection 6 of the D.C.A.

It is recommended that the following provides the basis for the D.C.s:

7.3.1 *Payment in any Particular Case*

In accordance with the D.C.A., s.2(2), a D.C. be calculated, payable and collected where the development requires one or more of the following:

- (a) the passing of a zoning by-law or of an amendment to a zoning by-law under section 34 of the *Planning Act*;
- (b) the approval of a minor variance under section 45 of the *Planning Act*;
- (c) a conveyance of land to which a by-law passed under subsection 50 (7) of the *Planning Act* applies;
- (d) the approval of a plan of subdivision under section 51 of the *Planning Act*;
- (e) a consent under section 53 of the *Planning Act*;
- (f) the approval of a description under section 9 of the *Condominium Act*, 1998; or
- (g) the issuing of a permit under the *Building Code Act*, 1992 in relation to a building or structure.

7.3.2 *Determination of the Amount of the Charge*

The following convention be adopted:



1. Costs allocated to residential uses will be assigned to different types of residential units based on the average occupancy for each housing type constructed during the previous decade. Costs allocated to non-residential uses will be assigned based on the amount of square feet of G.F.A. constructed for eligible uses (i.e., primary, industrial, commercial, and institutional).
2. Costs allocated to residential and non-residential uses are based upon a number of conventions, as may be suited to each Township circumstance, as follows:
 - For Fire Protection Services and Services Related to a Highway, an 82% residential and 18% non-residential attribution has been made to recognize the residential and non-residential sector uses over the Township-wide 10-year forecast period for both services;
 - Parks and Recreation and Library Service residential and non-residential attributions have been determined based on an allocation of 95% to residential development, and 5% to non-residential development; and
 - For the Growth-Related Studies Class of Services, the cost allocations between residential and non-residential is based on the allocations for each service area based on the eligible D.C. service that each study relates to. This results in an overall allocation of 90% to residential development and 10% to non-residential development.

7.3.3 Application to Redevelopment of Land (Demolition and Conversion)

As a result of the redevelopment, conversion, demolition, or change of use of a building, or structure or part thereof, the development charges payable by the proposed development shall be credited by the amount to which the previous use of the building or structure was subject to development charges at the time the By-law was passed. A credit shall not be warranted where a building, or structure or part thereof was demolished, and no building permit has been issued within two (2) years from the date of issuance of the demolition permit and shall not exceed the amount of the development charges payable with respect to new or proposed development. Further, No credit shall be given with respect to the redevelopment, conversions, demolition, or change of use of a building, or structure or part thereof where the existing building or



structure or part thereof would have been exempt from development charges in accordance with the By-law.

Finally, where a non-residential building and associated use is proposed to be relocated to a different lot and the existing building demolished, the new building shall be credited in accordance with Subsections 9.1, 9.2, 9.3 & 9.4 of by-law 30-19, as amended. If the relocation of the non-residential building and use results in an increased demand on services, the increase in demand for services shall be payable in accordance with the provisions of this By-law. If, in the future, redevelopment of the demolished site is proposed, the new proposed development of the site shall be subject to the full Development Charge as the service capacity associated with the demolished site has effectivity been transferred.

7.3.4 Exemptions

Statutory exemptions include the following:

- Partial exemption for industrial building additions of up to and including 50% of the existing G.F.A. (defined in O. Reg. 82/98, section 1) of the building; for industrial building additions that exceed 50% of the existing G.F.A., only the portion of the addition in excess of 50%, is subject to D.C.s (subsection 4 (3) of the D.C.A.);
- Full exemption for buildings or structures owned by and used for the purposes of any municipality, local board, or Board of Education;
- Full exemption for additional residential development in existing and new buildings:
 - May add up to two additional residential units with one being in an ancillary structure for a single detached, semi-detached, or row house
 - One additional unit or 1% of the units in an existing rental residential building with four or more residential units
- Full exemption for additional residential development in new dwellings: development that includes the creation of up to two additional dwelling units;
- Full exemption for a university in Ontario that receives direct, regular, and ongoing operating funding from the Government of Ontario;
- Full exemption for affordable residential units and attainable residential units; affordable inclusionary zoning residential units and Non-Profit housing units; and



- Partial exemption through a discount for rental housing units based on bedroom size as prescribed (i.e., three or more bedrooms - 25% discount, two bedrooms - 20% discount, and all others - 15% discount).

Non-statutory (discretionary exemptions) include the following:

- Non-residential buildings used accessory to an agricultural use;
- The portion of a Place of Worship used for worship and that is exempt from taxation as a place of worship under the Assessment Act, R.S.O. 1990, c. A.31, as amended, and does not include portions of buildings used for any commercial or institutional uses, including, but not limited to, daycare facilities, private schools, and entertainment facilities, or for residential purposes; and
- Temporary buildings where the owner has completed an agreements with the Township specifying the owner's obligation to remove the building,

7.3.5 Timing of Collection

The D.C.s for all services and class of services are payable upon issuance of the first building permit issuance for each dwelling unit, building, or structure, subject to early or late payment agreements entered into by the Township and an owner under section 27 of the D.C.A.

Rental housing and institutional developments will pay D.C.s in six equal annual payments commencing at occupancy, and then on the anniversary of occupancy for the following five (5) years.

Moreover, the D.C. amount for all developments occurring within two (2) years of a Site Plan or Zoning By-law Amendment planning approval (for applications submitted and approved after January 1, 2020, and June 5, 2024), shall be determined based on the D.C. in effect on the day of the applicable Site Plan or Zoning By-law Amendment application. The D.C. amount for all developments occurring within eighteen (18) months of a Site Plan or Zoning By-law Amendment planning approval (for applications received on or after January 1, 2020, that have not received approval prior to June 6, 2024), shall be determined based on the D.C. in effect on the day of the applicable Site Plan or Zoning By-law Amendment application.



Installment payments and payments determined at the time of Site Plan or Zoning By-law Amendment application are subject to annual interest charges. The maximum interest rate the Township can impose is the average prime rate plus 1% % as defined in subsection 26.3(1) of the Act.

7.3.6 Indexing

Indexing of the D.C.s shall be implemented on a mandatory basis annually on January 1st, in accordance with the Statistics Canada Quarterly, Non-Residential Building Construction Price Index (Table 18-10-0135-01)¹ for the most recent year-over-year period.

7.3.7 D.C. Spatial Applicability

The D.C.A. historically has provided the opportunity for a municipality to impose municipal-wide charges or area specific charges. Sections 2(7) and 2(8) of the D.C.A. provide that a D.C. by-law may apply to the entire municipality or only part of it and more than one D.C. by-law may apply to the same area. The D.C.A. now require municipalities to consider the application of municipal-wide and area-specific D.C.s. s.10(2) (c.1) requires Council to consider the use of more than one D.C. by-law to reflect different needs from services in different areas. Most municipalities in Ontario have established uniform, municipal-wide D.C.s. When area-specific charges are used, it is generally to underpin master servicing and front-end financing arrangements for more localized capital costs.

The rationale for maintaining a municipal-wide D.C. approach is based, in part, on the following:

1. All municipal services, except for water and wastewater, require that the average 15-year service standard be calculated. This average service standard multiplied by growth in the municipality, establishes an upper ceiling on the amount of funds that can be collected from all developing landowners. Section 4 (4) of O. Reg. 82/98 provides that “if a development charge by-law applies to a part of the municipality, the level of service and average level of service cannot exceed that which would be determined if the by-law applied to the whole municipality.” Put in layman terms, the average service standard multiplied by the growth within the specific area would establish an area-specific ceiling which would significantly



reduce the total revenue recoverable for the municipality hence potentially resulting in D.C. revenue shortfalls and impacts on property taxes.

2. Expanding on item 1, attempting to impose an area charge potentially causes equity issues in transitioning from a municipal-wide approach to an area-specific approach. For example, if all services were now built (and funded) within Area A (which is 75% built out) and this was funded with some revenues from Areas B and C, moving to an area-rating approach would see Area A contribute no funds to the costs of services in Areas B and C. The D.C.s would be lower in Area A (as all services are now funded) and higher in Areas B and C. As well, funding shortfalls may then potentially encourage the municipality to provide less services to Areas B and C due to reduced revenue.
3. Many services provided (roads, parks & recreation facilities) are not restricted to one specific area and are often used by all residents. For example, arenas located in different parts of the municipality will be used by residents from all areas depending on the programming of the facility (i.e., a public skate is available each night, but at a different arena; hence usage of any one facility at any given time is based on programming availability).

Based on the foregoing and discussions with Township staff, there is no apparent justification for the establishment of area-specific D.C.s at this time. The recommendation is to apply Township-wide D.C.s for all services and class of services.

7.4 Other D.C. By-law Provisions

It is recommended that:

7.4.1 Categories of Services and Class of Services for Reserve Fund and Credit Purposes

It is recommended that the Township's D.C. collections be contributed into five (5) separate reserve funds, including:

- Services Related to a Highway;
- Fire Protection Services;
- Parks and Recreation Services;



- Library Services; and
- Growth-Related Studies (Class of Services)

In addition, the existing reserve fund balance for policing services should be closed once all funding has been spent for the purposes for which the funds were collected.

7.4.2 *By-law In-force Date*

A by-law under the D.C.A. comes into force on the day after which the by-law is passed by Council.

7.4.3 *Minimum Interest Rate Paid on Refunds and Charged for Inter-Reserve Fund Borrowing*

The minimum interest rate is the Bank of Canada rate on the day on which the by-laws come into force (as per s.11 of O. Reg. 82/98).

7.5 Other Recommendations

It is recommended that Council:

“Whenever appropriate, request that grants, subsidies and other contributions be clearly designated by the donor as being to the benefit of existing development or new development, as applicable;”

“Adopt the assumptions contained herein as an ‘anticipation’ with respect to capital grants, subsidies, and other contributions;”

“Adopt the D.C. approach to calculate the charges on a uniform Township-wide basis for all services and class of services.”

“Approve the capital project listing set out in Chapter 5 of the D.C. Background Study dated April 16, 2024, as amended, subject to further annual review during the capital budget process;”

“Approve the D.C. Background Study dated April 16, 2024, as amended;”

“Determine that no further public meeting is required;” and

“Approve the D.C. By-law as set out in Appendix G.”



Table C-2 depicts the annual operating impact resulting from the proposed gross capital projects at the time they are all in place. It is important to note that, while Township program expenditures will increase with growth in population, the costs associated with the new infrastructure (i.e., facilities) would be delayed until the time these works are in place.

Table C-2
Operating and Capital Expenditure Impacts for Future Capital Expenditures

SERVICES/CLASS OF SERVICES	GROSS COST LESS BENEFIT TO EXISTING & OTHER CONTRIBUTIONS	ANNUAL LIFECYCLE EXPENDITURES	ANNUAL OPERATING EXPENDITURES	TOTAL ANNUAL EXPENDITURES
1. Services Related to a Highway				
1.1 Roads and related, facilities, vehicles & equipment	413,170	17,273	192,561	209,834
2. Fire Protection Services				
2.1 Fire facilities, vehicles & equipment	190,968	11,959	33,211	45,170
3. Parks and Recreation Services				
3.1 Park development, amenities, trails, recreation facilities, vehicles, and equipment	2,209,249	7,307	15,226	22,533
4. Library Services				
4.1 Library facilities and collection materials	127,099	7,272	4,441	11,713
5. Growth-Related Studies				
5.1 Growth-Related Studies	552,947	-	-	-
Total	\$3,493,433	\$43,811	\$245,440	\$289,251



Table D-1
Annual Treasurer's Statement of Development Charge Reserve Funds

Description	Services/Class of Services to which the Development Charge Relates					Total
	Services Related to a Highway	Fire Protection Services	Parks and Recreation Services	Library Services	Growth- Related Studies	
Opening Balance, January 1, _____						0
<u>Plus:</u>						
Development Charge Collections						0
Accrued Interest						0
Repayment of Monies Borrowed from Fund and Associated Interest ¹						0
Sub-Total	0	0	0	0	0	0
<u>Less:</u>						
Amount Transferred to Capital (or Other) Funds ²						0
Amounts Refunded						0
Amounts Loaned to Other D.C. Service Category for Interim Financing						0
Credits ³						0
Sub-Total	0	0	0	0	0	0
Closing Balance, December 31, _____	0	0	0	0	0	0

¹ Source of funds used to repay the D.C. reserve fund

² See Attachment 1 for details

³ See Attachment 2 for details

The Municipality is compliant with s.s. 59.1 (1) of the *Development Charges Act*, whereby charges are not directly or indirectly imposed on development nor has a requirement to construct a service related to development been imposed, except as permitted by the *Development Charges Act* or another Act.



Table D-2
Amount Transferred to Capital (or Other) Funds - Capital Fund Transactions

Capital Fund Transactions	Gross Capital Cost	D.C. Recoverable Cost Share					Non-D.C. Recoverable Cost Share				
		D.C. Forecast Period			Post D.C. Forecast Period		Other Reserve/Reserve Fund Draws	Tax Supported Operating Fund Contributions	Rate Supported Operating Fund Contributions	Debt Financing	Grants, Subsidies Other Contributions
		D.C. Reserve Fund Draw	D.C. Debt Financing	Grants, Subsidies Other Contributions	Post-Period Benefit/Capacity Interim Financing	Grants, Subsidies Other Contributions					
<u>Services Related to a Highway</u>											
Capital Cost A											
Capital Cost B											
Capital Cost C											
Sub-Total - Services Related to Highways	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Parks and Recreation Services</u>											
Capital Cost D											
Capital Cost E											
Capital Cost F											
Sub-Total - Parks and Recreation Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Fire Protection Services</u>											
Capital Cost G											
Capital Cost H											
Capital Cost I											
Sub-Total - Fire Protection Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Library Services</u>											
Capital Cost G											
Capital Cost H											
Capital Cost I											
Sub-Total - Library Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Growth-Related Studies</u>											
Capital Cost G											
Capital Cost H											
Capital Cost I											
Sub-Total - Library Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0



Table D-3
Amount Transferred to Operating (or Other) Funds - Operating Fund Transactions

Operating Fund Transactions	Annual Debt Repayment Amount	D.C. Reserve Fund Draw		Post D.C. Forecast Period			Non-D.C. Recoverable Cost Share		
		Principal	Interest	Principal	Interest	Source	Principal	Interest	Source
<u>Services Related to a Highway</u>									
Capital Cost J									
Capital Cost K									
Capital Cost L									
Sub-Total - Services Related to a Highway	\$0	\$0	\$0	\$0	\$0		\$0	\$0	
<u>Parks and Recreation Services</u>									
Capital Cost M									
Capital Cost N									
Capital Cost O									
Sub-Total - Parks and Recreation Services	\$0	\$0	\$0	\$0	\$0		\$0	\$0	
<u>Fire Protection Services</u>									
Capital Cost P									
Capital Cost Q									
Capital Cost R									
Sub-Total - Fire Protection Services	\$0	\$0	\$0	\$0	\$0		\$0	\$0	
<u>Library Services</u>									
Capital Cost P									
Capital Cost Q									
Capital Cost R									
Sub-Total - Library Services	\$0	\$0	\$0	\$0	\$0		\$0	\$0	
<u>0</u>									
Capital Cost P									
Capital Cost Q									
Capital Cost R									
Sub-Total - Library Services	\$0	\$0	\$0	\$0	\$0		\$0	\$0	



Table D-4
Statement of Credit Holder Transactions

Credit Holder	Applicable D.C. Reserve Fund	Credit Balance Outstanding Beginning of Year _____	Additional Credits Granted During Year	Credits Used by Holder During Year	Credit Balance Outstanding End of Year _____
Credit Holder A					
Credit Holder B					
Credit Holder C					
Credit Holder D					
Credit Holder E					
Credit Holder F					

Table D-5
Statement of Reserve Fund Balance Allocation

Service:	Services Related to a Highway
Balance in Reserve Fund at Beginning of Year:	
60% of Balance to be Allocated (at a minimum):	

Projects to Which Funds Will be Allocated

Project Description	Project Number	Total Growth-related Capital Cost Remaining to be Funded	Share of Growth-related Cost Allocated to Date	Share of Growth-related Cost Allocated - Current Year
Total		\$0	\$0	\$0



Table D-6
Description of the Services and Class of Services for which each
Development Charge Reserve Fund was Established

Services/Class of Service	Description
Services Related to a Highway	The fund is used for growth-related projects for roads, bridges, structures, active transportation, streetlights, sidewalks, public works facilities, vehicles & equipment, and other related road infrastructure
Fire Protection Services	The fund is used for growth-related projects supporting fire protection services, including facilities, vehicles, equipment, and gear
Parks and Recreation Services	The fund is used for growth-related projects related to parkland development, parkland amenities, recreational trails, parkland buildings, recreation facilities, and parks & recreation vehicles and equipment
Library Services	The fund is used for growth-related projects including library facilities, furniture, shelving, collection materials, and other related library infrastructure
Growth-Related Studies	The fund is used for growth-related studies related to eligible D.C. Services



Asset management strategy: the asset management strategy is the set of planned actions that will seek to generate the desired levels of service in a sustainable way, while managing risk, at the lowest lifecycle cost.

Financing strategy: having a financial plan is critical for putting an A.M.P. into action. By having a strong financial plan, municipalities can also demonstrate that they have made a concerted effort to integrate the A.M.P. with financial planning and municipal budgeting and are making full use of all available infrastructure financing tools.

Commensurate with the above, the Township prepared an A.M.P. in 2021 for its existing core infrastructure assets; however, it did not take into account future growth-related assets. As a result, the asset management requirement for the D.C. must be undertaken in the absence of this information.

In recognition to the schematic above, the following table (presented in 2023\$) has been developed to provide the annualized expenditures and revenues associated with new growth. Note that the D.C.A. does not require an analysis of the non-D.C. capital needs or their associated operating costs so these are omitted from the table below. As well, as all capital costs included in the D.C. eligible capital costs are not included in the Municipality's A.M.P., the present infrastructure gap and associated funding plan have not been considered at this time. Hence the following does not represent a fiscal impact assessment (including future tax/rate increases) but provides insight into the potential affordability of the new assets:

1. The non-D.C. recoverable portion of the projects that will require financing from municipal financial resources (i.e., rates, fees, etc.). This amount has been presented on an annual debt charge amount based on 20-year financing.
2. Lifecycle costs for the 2023 D.C. capital works have been presented based on a sinking fund basis. The assets have been considered over their estimated useful lives.
3. Incremental operating costs for the D.C. services (only) have been included.
4. The resultant total annualized expenditures are approximately \$297,514.
5. Consideration was given to the potential new tax and user fee revenue which will be generated as a result of new growth. These revenues will be available to assist in financing the expenditures above. The new operating revenues are \$357,613 million.
6. In consideration of the above, the capital plan is deemed to be financially sustainable.



Table F-1
Township of Mulmur
Asset Management – Future Expenditures and Associated Revenues
2024\$

	2033 (Total)
Expenditures (Annualized)	
Annual Debt Payment on Non-Growth Related Capital ¹	8,263
Annual Debt Payment on Post Period Capital ²	-
Annual Lifecycle	\$43,811
Incremental Operating Costs (for D.C. Services)	\$245,440
Total Expenditures	\$297,514
Revenue (Annualized)	
Total Existing Revenue ³	\$6,674,522
Incremental Tax and Non-Tax Revenue (User Fees, Fines, Licences, etc.)	\$357,613
Total Revenues	\$7,032,135

¹ Non-Growth Related component of Projects including 10% mandatory deduction on soft services

² Interim Debt Financing for Post Period Benefit

³ As per Sch. 10 of FIR



Appendix G

Proposed D.C. By-law – Services Related to Highway



THE CORPORATION OF THE TOWNSHIP OF MULMUR

BY-LAW NUMBER XX

BEING A BY-LAW to establish development charges for the Corporation of the Township of Mulmur related to Services Related to a Highway

WHEREAS the Township of Mulmur will experience growth through development and redevelopment; and

WHEREAS development and redevelopment require the provision of physical and social services by the Township of Mulmur; and

AND WHEREAS The Corporation of the Township of Mulmur has determined that the development of lands within the Township will increase the need for municipal services and Council has confirmed its intent to provide the said services; and

WHEREAS Council desires to ensure that the capital cost of meeting growth-related demands for or burden on municipal services does not place an excessive financial burden on the Township of Mulmur or its existing taxpayers while at the same time ensuring new taxpayers contribute no more than the net capital cost attributable to providing the current level of municipal services; and

WHEREAS the *Development Charges Act*, 1997 (the “Act”) provides that the council of a municipality may by by-law impose development charges against land to pay for increased capital costs required because of increased needs for services; and

WHEREAS a development charge background study has been completed in accordance with the Act and the background study and draft proposed bylaw be made available to the public and such documents were made available to the public 60 days prior to the passage of the bylaw and at least two (2) weeks prior to the public meeting required pursuant to Section 12 of the Act; and

WHEREAS The “2024 Development Charge Background Study” dated April 16, 2024 prepared by Watson and Associates Economists Ltd. was amended by “Addendum to the 2024 Development Charges Background Study”, and the proposed revised development charge by-law was posted to the Township’s website on July 2, 2024 in response to legislative and other minor changes; and,



WHEREAS the Council of Township of Mulmur has given notice of and held a public meeting on the May 1, 2024 in accordance with the Act and the regulations thereto; and

WHEREAS any person who attended the public meeting was afforded an opportunity to make representations and the public generally were afforded an opportunity to make written submissions relating to the proposed by-law; and

WHEREAS Council resolved on May 1, 2024 that it is the intention of Council to ensure that the increase in need for services identified in connection with the enactment of the by-law will be met; and

WHEREAS Council resolved on May 1, 2024 that no further public meeting be required, and that this by-law be brought forward for enactment.

WHEREAS Section 2(1) of the *Development Charges Act*, 1997 ("Act") enables the Council of a municipality to pass By-laws to impose development charges against lands located in the Township to pay for increased capital costs where the development of the land would increase the need for municipal services as designated in the By-law and the development requires one or more of the actions set out in Section 2(2) of the Act;

NOW THEREFORE BE IT HEREBY RESOLVED THAT The Corporation of the Township of Mulmur hereby enacts the following:

1. DEFINITIONS

1.1 "Act" means the *Development Charges Act*, 1997 as amended from time to time and includes the Regulations passed under the Act, as amended from time to time;

1.2 In this By-law:

1.2.1 All words and phrases used in this By-law that have not been defined in the Act shall have the same meaning as those words and phrases in the Act;

1.2.2 Where the Development Charges Act does not specify a definition, the following definitions shall apply to the extent that they are not in conflict with the definitions in the Act;



- 1.3 "Accessory Use" means that the building or structure is naturally and normally incidental to or subordinate in purpose or both, and exclusively devoted to a principal use, building or structure;
- 1.4 "Affordable Residential Unit" means a Residential Unit that meets the criteria set out in subsection 4.1 of the Act;
- 1.5 "Agricultural Use" means the growing of crops, including nursery, biomass, and horticulture crops; raising of livestock; raising of other animals for food, fur, or fibre, including poultry and fish; aquaculture; apiaries; agro-forestry, maple syrup production; and associated on-farm buildings and structures, including but not limited to livestock facilities and manure storages, but excluding:
 - 1.5.1 A Residential Use;
 - 1.5.2 On-farm Diversified Uses;
 - 1.5.3 Cannabis Facilities; and
 - 1.5.4 A Greenhouse.
- 1.6 "Ancillary Residential Use" means a Residential Dwelling that would be ancillary to a Single Detached Dwelling, Semi-Detached Dwelling, or Row dwelling;
- 1.7 "Apartment Dwelling" means a building containing 3 or more dwelling units which have a common entrance from the street level, and the occupants of which have the right to use common elements, and includes Stacked Townhouses;
- 1.8 "Attainable Residential Unit" means a residential unit that meets the criteria set out in subsection 4.1 of the Act;
- 1.9 "Back-to-Back Townhouse Dwelling" means a building containing three or more dwelling units separated vertically by a common wall, including a rear common wall, that do not have rear yards;



- 1.10 "Bedroom" means any room used or designed or intended for use as sleeping quarters including but not limited to, a den, a study, a family room, or other similar use;
- 1.11 "Board Of Education" means a board of education, public school board, secondary school board, Separate school board or Public-school board;
- 1.12 "Building" Or "Structure" means a structure occupying an area greater than 10 square metres consisting of walls and a roof or a structural system serving the same purpose as defined in the Building Code and including carports and cloth, plastic or vinyl materials supported by structural frames but does not include awnings or an exterior storage tank;
- 1.13 "Building Code Act" means the *Building Code Act*, S.O. 1992, chapter 23, as amended and all Regulations thereto including the Ontario Building Code, 1997, as amended;
- 1.14 "Building Permit" means a Permit issued in accordance with the Building Code Act;
- 1.15 Cannabis" means:
- 1.15.1 A Cannabis plant;
 - 1.15.2 Any part of a cannabis plant, including the phytocannabinoids produced by, or found in, such a plant, regardless of whether that part has been processed or not;
 - 1.15.3 Any substance or mixture of substances that contains or has on it any part of such a plant; and
 - 1.15.4 Any substance that is identical to any phytocannabinoid produced by, or found in, such a plant, regardless of how the substance was obtained.
- 1.16 "Cannabis Plant" means a plant that belongs to the genus "Cannabis;"
- 1.17 "Cannabis Facilities" means a Building, or part thereof, designed, used, or intended to be used for one or more of the following: cultivation, growing,



- propagation, production, processing, harvesting, testing, alteration, destruction, storage, packaging, shipment, or distribution of Cannabis where a licence, permit, or authorization has been issued under applicable federal law but does not include a building or part thereof solely designed, used, or intended to be used for retail sales of Cannabis;
- 1.18 “Capital Cost” shall mean costs incurred or proposed to be incurred by a municipality or local board thereof directly or under an agreement,
- 1.18.1 to acquire land or an interest in land, including a leasehold interest;
 - 1.18.2 to improve land;
 - 1.18.3 to acquire, construct or improve building and structures;
 - 1.18.4 to acquire, construct or improve facilities including:
 - 1.18.4.1 rolling stock with estimated useful life of seven years or more,
 - 1.18.4.2 furniture and equipment other than computer equipment; and
 - 1.18.4.3 material acquired for circulation, reference or information purposes by a library board as defined in *The Public Libraries Act*, R.S.O. 1990, as amended;
 - 1.18.5 to undertake studies in connection with any matter under the Act and any of the matters in clauses (1.18.1) to (1.18.4) above, including the development charge background study required for the provision of services designated in this By- law within or outside the municipality, including interest on borrowing for those expenditures under clauses (1.18.1) to (1.18.4) above that are growth-related; and
 - 1.18.6 interest on borrowing for those expenditures under clauses 1.18.1, through 1.18.5, that are growth related;
- 1.19 “Commercial” means any use of land, structures, or buildings for the purposes of buying or selling commodities and services, but does not include



- industrial or agricultural uses, but does include hotels, motels, motor inns, boarding, lodging and rooming houses;
- 1.20 “Council” means the Council of the Corporation of the Township of Mulmur;
- 1.21 “Development” means the construction, erection or placing of one or more buildings or structures on land or the making of an addition or alteration to a building or structure that has the effect of increasing the Total Floor Area, and includes Redevelopment;
- 1.22 “Development Charge” means a charge imposed pursuant to this By-law;
- 1.23 “Duplex” means a building that is divided horizontally into two dwelling units each of which has an independent entrance either directly or through a common vestibule;
- 1.24 “Dwelling Unit” means a combination of rooms where generally a kitchen, living quarter and sanitary conveniences are provided for habitation for the exclusive use of the occupants and with a private entrance from outside the building or from a common hallway or stairway inside. It may include a modular home constructed in accordance with the Building Code and C.S.A. A-277 Regulations. Any “dwelling” and “additional second dwellings” as defined by the Township of Mulmur Comprehensive Zoning By-Law 28-18, as amended, or replaced, shall also be considered a “dwelling unit” under this By-law;
- 1.25 "Education Act" means the Education Act, R.S.O. 1990, c. E.2, as amended or any successor thereto;
- 1.26 “Existing Industrial” means an Industrial Building or structure existing on a site as of the date this by-laws comes into effect, or the first building or structures constructed on a vacant site pursuant to site plan approval under section 41 of the Planning Act, R.S.O. 1990, c. P. 13, as amended, or any successor thereof, subsequent to this by-law, for which full development charges were paid;
- 1.27 “Greenhouse” means the use of a building or structure for the growing of such items as flowers, bushes, shrubs, trees, plants, fruits, vegetables, and other



- types of nursery stock for wholesale or retail purposes. Such use may also include the retail sale of greenhouse products customarily, incidental, subordinate, and exclusively, devoted to the principal use, located on the same lot therein. A retail space accessory to a greenhouse shall have a maximum retail floor area of 75 square metres;
- 1.28 “Gross Floor Area” means the total floor area, as hereinafter defined, exclusive of any portion of the building or structure above and below finished grade measured between the exterior faces of the exterior walls which is used for heating, the storage of goods or personal effects, laundry facilities, recreational areas, the storage or parking of motor vehicles, exclusive of any private garage, carport, basement, walkout basement, cellar, porch, verandah or sunroom unless such sunroom is habitable during all seasons of the year;
- 1.29 “Hospice” means a building or portion of a mixed-use building designed and intended to provide palliative care and emotional support to the terminally ill in a home or homelike setting so that quality of life is maintained, and family members may be active participants in care;
- 1.30 “Industrial” means lands, buildings or structures used or designed or intended for use for manufacturing, processing, fabricating or assembly of raw goods, warehousing, or bulk storage of goods, and includes office uses and the sale of commodities to the general public where such uses are accessory to an industrial use, but does not include the sale of commodities to the general public through a warehouse club or self-storage facilities;
- 1.31 “Institutional” means development of a building or structure intended for use:
- 1.31.1 as a long-term care home within the meaning of subsection 2 (1) of the Fixing Long-Term Care Homes Act, 2021;
 - 1.31.2 as a retirement home within the meaning of subsection 2 (1) of the Retirement Homes Act, 2010;
 - 1.31.3 by any institution of the following post-secondary institutions for the objects of the institution:
 - 1.31.3.1 a university in Ontario that receives direct, regular, and ongoing operation funding from the Government of Ontario;



- 1.31.3.2 a college or university federated or affiliated with a university described in subclause (i); or
 - 1.31.3.3 an Indigenous Institute prescribed for the purposes of section 6 of the Indigenous Institute Act, 2017;
 - 1.31.4 as a memorial home, clubhouse, or athletic grounds by an Ontario branch of the Royal Canadian Legion; or
 - 1.31.5 as a hospice to provide end of life care.
- 1.32 "Live-work Unit" means a Building, or part of thereof, which contains, or is intended to contain, both a Dwelling Unit and non-residential unit and which is intended for both Residential Use and Non-residential Use concurrently, and shares a common wall or floor with or without direct access between the residential and non-residential uses;
- 1.33 "Long-term Care Home" means a residential building or the residential portion of a mixed-use building within the meaning of subsection 2 (1) of the *Fixing Long-Term Care Homes Act, 2021*;
- 1.34 "Mixed Use Development" means a building that is used, designed, and/or designated to be used for both residential and non-residential purposes, including, but not limited to a Live-work Unit;
- 1.35 "Multi-Unit" means, for the purposes of this By-law, any combination of two (2) or more dwelling units on a lot which is not defined as a Semi-Detached Dwelling and includes an Apartment, Townhouse and Duplex as defined herein;
- 1.36 "Non-profit housing development" means development of a building or structure intended for use as residential premises by:
 - 1.36.1 a corporation without share capital to which the Corporations Act applies, that is in good standing under that Act and whose primary objective is to provide housing;
 - 1.36.2 a corporation without share capital to which the Canada Not-for-profit Corporation Act applies, that is in good standing under that Act and whose primary objective is to provide housing; or



- 1.36.3 a non-profit housing co-operative that is in good standing under the Co-operative Corporations Act.
- 1.37 "Non-Residential Uses" means land, buildings, or structures or portions thereof used, or designed or intended to be used for a use other than for a residential use;
- 1.38 "Official Plan" means the Official Plan adopted for the Township, as amended and approved;
- 1.39 "On-farm Diversified Use" means a use, occurring entirely and exclusively within a detached building that is secondary and subordinate to the active and principle agricultural use occurring on a property. Such uses shall be integrated within a farm cluster of buildings which must include a residential dwelling, and may include, but not be limited to, uses that produce value added agricultural products or provide a service that is supportive of regional agri-business;
- 1.40 "Other Multiples" means all dwellings other than Single-detached, Semi-detached, and Apartment dwellings, and includes a Duplex, and the portion of a Live-Work Unit, intended to be used exclusively for living accommodations for one or more individuals;
- 1.41 "Owner" means the owner of land or a person who has made application for an approval for the development of land upon which a development charge is imposed;
- 1.42 "Place of worship" means that part of a building or structure used for worship and that is exempt from taxation as a place of worship under the Assessment Act, R.S.O. 1990, c. A.31, as amended, and does not include portions of buildings used for any commercial or institutional uses, including, but not limited to, daycare facilities, private schools, and entertainment facilities, or for residential purposes;
- 1.43 "Planning Act" means the *Planning Act*, R.S.O. 1990, c. P.13, as amended or any successor thereto;



- 1.44 “Redevelopment” means the construction, erection or placing of one or more buildings or structures on land where all or part of a building or structure has previously been demolished on such land, or changing the use of a building or structure from residential to non-residential or from non-residential to residential;
- 1.45 “Regulation” means any regulation made pursuant to the Act;
- 1.46 “Rental housing” means development of a building or structure with four or more dwelling units all of which are intended for use as rented residential premises;
- 1.47 “Residential Uses” means land, buildings, or structures or portions thereof used, designed, or intended to be used principally (or primarily) as living accommodation for one or more individuals;
- 1.48 “Retirement Home” means a residential building or the residential portion of a mixed-use building which provides accommodation primarily for retired persons or couples where each private bedroom or living accommodation has a separate private bathroom and separate entrance from a common hall but where common facilities for the preparation and consumption of food are provided, and common lounges, recreation rooms and medical care facilities may also be provided;
- 1.49 “Row Dwelling” means a building containing three or more attached dwelling units in a single row, each of which dwelling units has an independent entrance from the outside and is vertically separated from any abutting dwelling unit;
- 1.50 “Row Townhouse” has the same meaning as a Row Dwelling;
- 1.51 “Semi-Detached Dwelling” means a dwelling unit in a residential building consisting of two dwelling units having one vertical wall or one horizontal wall, but not other parts, attached or another dwelling unit where the residential unit are not connected by an interior corridor;
- 1.52 “Service” means services designated in this By-law including Schedule "A" to this By-law or in agreement under Section 44 of the Act, or both;



- 1.53 “Single Detached Dwelling” means a detached building containing one dwelling unit only;
- 1.54 “Stacked Townhouse Dwelling” means a Building, or part of a building, containing two or more dwelling units where each Dwelling Unit is separated horizontally and/or vertically from another Dwelling Unit by a common wall and having direct separate access to an exterior ground level main entrance/exit;
- 1.55 “Temporary Building” Or “Structure” means a building or structure constructed or erected or placed on land for a continuous period not exceeding eight months, or an addition or alteration to a building or structure that has the effect of increasing the total floor area thereof for a continuous period not exceeding eight month;
- 1.56 “Townhouse Dwelling” means a dwelling unit in a building divided vertically into no less than three nor more than eight dwelling units attached by common walls extended from the base of the foundation to the roof line, each dwelling unit having a separate entrance at grade, and includes a Back-to-Back Townhouse;
- 1.57 “Township” means The Corporation of the Township of Mulmur.

2. DESIGNATION OF SERVICES AND CLASS OF SERVICES

- 2.1 The categories of services and class of services for which development charges are imposed under this By-law are as follows:
- a) Services Related to a Highway
 - b) Fire Protection Services
 - c) Parks and Recreation Services
 - d) Library Services
 - e) Growth-related Studies (Class of Services)

3. IMPOSITION OF DEVELOPMENT CHARGES

- 3.1 Development charges shall be imposed on all lands, buildings or structures that are developed for residential or non-residential uses if the development requires:



- 3.1.1 the passing of a zoning by-law or of an amendment to a zoning by-law under section 34 of the *Planning Act*;
- 3.1.2 the approval of a minor variance under section 45 of the *Planning Act*;
- 3.1.3 a conveyance of land to which a by-law passed under subsection 50 (7) of the *Planning Act* applies;
- 3.1.4 the approval of a plan of subdivision under section 51 of the *Planning Act*;
- 3.1.5 a consent under section 53 of the *Planning Act*;
- 3.1.6 the approval of a description under section 9 of the *Condominium Act*, 1998; or
- 3.1.7 the issuing of a permit under the *Building Code Act*, 1992 in relation to a building or structure.

4. APPLICATION OF THIS BY-LAW

- 4.1 This By-law shall apply to all lands within The Corporation of the Township of Mulmur.
- 4.2 Nothing in this By-law prevents the approval authority or Council, as the case may be, from requiring, as a condition of an agreement under the *Planning Act*, SS. 51 or 53, that the owner at his or her own expense shall install or pay for local services as the approval authority or Council may require.

5. CALCULATION OF DEVELOPMENT CHARGES – GENERAL

- 5.1 Development charges shall be calculated in accordance with Schedule "B".

6. INDEXING OF THE DEVELOPMENT CHARGE

- 6.1 Development Charges shall be adjusted, without amendment to this By-law, on the first day of January in each year, beginning with January 1, 2025, in accordance with the then most recent Statistics Canada Quarterly, Construction Price Index (Toronto).



7. CALCULATION OF DEVELOPMENT CHARGES – RESIDENTIAL

- 7.1 The residential development charges set out in Schedule “B” shall be imposed on residential uses of lands, buildings or structures, including a dwelling unit accessory to a non-residential use and, in the case of a mixed-use building or structure, on the residential uses in the mixed-use building or structure, and the residential portion for a Live-Work unit, according to the type of residential unit, and calculated with respect to the service according to the type of residential use.
- 7.2 Notwithstanding Section 7.1, no Development Charges are payable in the following cases:
- 7.2.1 an enlargement to an existing dwelling unit;
 - 7.2.2 A second residential unit in an existing detached house, semi-detached house, or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if all buildings and structures ancillary to the existing detached house, semi-detached house or rowhouse cumulatively contain no more than one residential unit;
 - 7.2.3 A third residential unit in an existing detached house, semi-detached house, or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if no building or structure ancillary to the existing detached house, semi-detached house or rowhouse contains any residential units;
 - 7.2.4 One residential unit in a building or structure ancillary to an existing detached house, semi-detached house or rowhouse on a parcel of land, if the existing detached house, semi-detached house or rowhouse contains no more than two residential units and no other building or structure ancillary to the existing detached house, semi-detached house or rowhouse contains any residential units;
 - 7.2.5 A second residential unit in a new detached house, semi-detached house or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if all buildings and



structures ancillary to the new detached house, semi-detached house or rowhouse cumulatively will contain no more than one residential unit;

- 7.2.6 A third residential unit in a new detached house, semi-detached house or rowhouse on a parcel of land on which residential use, other than ancillary residential use, is permitted, if no building or structure ancillary to the new detached house, semi-detached house or rowhouse contains any residential units;
- 7.2.7 One residential unit in a building or structure ancillary to a new detached house, semi-detached house or rowhouse on a parcel of land, if the new detached house, semi-detached house or rowhouse contains no more than two residential units and no other building or structure ancillary to the new detached house, semi-detached house or rowhouse contains any residential units; or
- 7.2.8 In an existing rental residential Building, which contains four or more residential Dwelling Units, the creation of the greater of one residential Dwelling Unit or one percent of the existing residential Dwelling Units.

8. DISCOUNTS FOR RENTAL HOUSING

- 8.1 The Development Charge payable for Rental Housing developments will be reduced based on the number of bedrooms in each unit as follows:
 - 8.1.1 Three or more bedrooms – 25% reduction;
 - 8.1.2 Two bedrooms – 20% reduction; and
 - 8.1.3 All other bedroom quantities – 15% reduction.

9. OTHER EXEMPTIONS

- 9.1 Once proclaimed, the following shall be exempt from payment of the Development Charges:
 - 9.1.1 Affordable residential units;
 - 9.1.2 Attainable residential units;
 - 9.1.3 Affordable residential inclusionary zoning units; and



9.1.4 Non-profit housing units.

10. CALCULATION OF DEVELOPMENT CHARGES – NON-RESIDENTIAL

- 10.1 The development charges described in Schedule "B" to this by-law shall be imposed on non-residential uses of lands, buildings, or structures, and, in the case of a mixed-use building or structure, on the non-residential uses in the mixed-use building or structure, including the non-residential portion for a Live-Work unit, and calculated with respect to the service according to the total floor area of the non-residential use.

11. EXEMPT BUILDINGS

- 11.1 Non-residential buildings used accessory to an agricultural operation shall be exempt from the development charge.
- 11.2 Notwithstanding the provisions of this By-law, development charges shall not be imposed on an Agricultural Use, including barns, silos, or other storage facilities for produce, livestock, or machinery and equipment used in connection with an existing Agricultural Use, and other ancillary development to an Agricultural Use, but excluding a Residential Dwelling, an On-farm Diversified Use or a Cannabis Production Facility.
- 11.3 Buildings owned and used by the Township, County of Dufferin, or any Board of Education used for school purposes shall be exempt from the Development Charge.
- 11.4 Temporary buildings where the owner has completed an agreement with the Township specifying the owner's obligation to remove the building.
- 11.5 Places of Worship for religious uses, excluding those lands contained within the Township's employment lands as defined in the Township's Official Plan, that are exempt from Provincial taxes pursuant to the Provincial Land Tax RSO 1990, cP32 as amended, shall be exempt from the Development Charge.
- 11.6 Land vested in or leased to a university that receives regular and ongoing operating funds from the government for the purposes of post-secondary



education if the development is intended to be occupied and used by the university, shall be exempt from the Development Charge.

11.7 Industrial Development:

11.7.1 Notwithstanding any other provision of this by-law, no Development Charge is payable with respect to an enlargement of the gross floor area of an Existing Industrial building where the Gross Floor Area is enlarged by 50 percent or less;

11.7.2 If the Gross Floor Area of an existing industrial building is enlarged by greater than 50 percent, the amount of the development charge payable in respect of the enlargement is the amount of the development charge that would otherwise be payable multiplied by the fraction determined as follows:

11.7.2.1 notwithstanding section 11.7.2, if the Gross Floor Area is enlarged by more than 50 percent (50%), development charges shall be payable and collected and the amount payable shall be calculated in accordance with s.4(3) of the Act.

11.7.2.2 that for greater certainty in applying the exemption in this section, the gross floor area of an Existing Industrial building is enlarged where there is a bona fide increase in the size of the Existing Industrial building, the enlarged area is attached to the Existing Industrial building, there is a direct means of ingress and egress from the Existing Industrial building to and from the enlarged areas for persons, goods, and equipment, and the Existing Industrial building and the enlarged area are used for or in connection with an industrial purpose as set out in subsection 1.1 of this by-law. Without limiting the generality of the foregoing, the exemption in this section shall not apply where the enlarged area is attached to the Existing Industrial building by means only of a tunnel, bridge, canopy, corridor, or other



passageway, or through a shared below-grade connection such as a service tunnel, foundation, footing, or a parking facility

11.7.2.3 in particular, for the purposes of applying this exemption, the industrial building is considered existing if it is built, occupied, and assessed for property taxation at the time of the application respecting the enlargement

11.7.2.4 the exemption of an Existing Industrial building provided by this section shall be applied to a maximum of fifty percent (50%) of the gross floor area that was existing as of the effective date of this by-law, or based on the first building or structures constructed on a vacant site pursuant to site plan approval under section 41 of the Planning Act, R.S.O. 1990, c. P. 13, as amended, or any successor thereof, subsequent to the effective date of this by-law, for which full development charges were paid.

12. REDEVELOPMENT

- 12.1 In accordance with Subsections 7, 8, & 10 where there is a redevelopment, conversion, demolition or change of use of a building or structure or part thereof, the development charges payable by the new or proposed development shall be credited by the amount to which the previous use of the building or structure was subject to development charges at the time this By-law was passed.
- 12.2 A credit shall not be warranted where a building, structure, or part thereof was demolished, and no building permit has been issued within 2 years from the date of issuance of the demolition permit.
- 12.3 The credit with respect to a redevelopment, conversion, demolition, or change of use of a building or structure or part thereof shall not exceed the amount of the development charges payable with respect to new or proposed development.



- 12.4 No credit shall be given with respect to the redevelopment, conversions, demolition, or change of use of a building, or structure or part thereof where the existing building or structure or part thereof would have been exempt from development charges in accordance with this By-law.
- 12.5 Where a non-residential building and associated use is proposed to be relocated to a different lot and the existing building demolished, the new building shall be credited in accordance with Subsections 12.1, 12.2, 12.3, & 12.4. If the relocation of the non-residential building and use results in an increased demand on services, the increase in demand for services shall be payable in accordance with the provisions of this By-law. If in the future, redevelopment of the demolished site is proposed, the new proposed development of the site shall be subject to the full Development Charge as the service capacity associated with the demolished site has effectively been transferred.
- 12.6 No credit shall be given with respect to the demolition of derelict buildings as determined by the Chief Building Official of the Township.

13. PAYMENT OF DEVELOPMENT CHARGES

- 13.1 Except as otherwise provided in this By-law, Development Charges shall be calculated and payable in full in cash or certified cheque in Canadian funds or by credits granted by the Act, on the date that the first building permit is issued.
- 13.2 Except as otherwise provided in this By-law, a building permit shall not be issued until the development charge has been paid in full.
- 13.3 Development charges for rental housing and institutional developments are due and payable in 6 equal installments commencing with the first installment payable on the date of occupancy, and each subsequent installment, including interest, payable on the anniversary date each year thereafter.
- 13.4 Notwithstanding subsections 13.1 through 13.3, where the development of land results from the approval of a Site Plan or Zoning By-law Amendment received and approved between January 1, 2020, and June 5, 2024, and the approval of the application occurred within 2 years of building permit



issuance, the Development Charges under sections 7 and 10 shall be calculated based on the rates set out in Schedule "B" on the date the planning application was made. Where both planning applications apply, development charges under sections 7 and 10 shall be calculated on the rates set out in Schedule "B", on the date of the latter planning application, including interest at the prescribed rate.

- 13.5 Notwithstanding subsections 13.1 through 13.3, where the development of land results from the approval of a Site Plan or Zoning By-law Amendment received on or after January 1, 2020, where the approval of the application occurred on or after June 6, 2024, and the approval of the application occurred within 18 months of building permit issuance, the Development Charges under section 7 and 10 shall be calculated based on the rates set out in Schedule "B" on the date of the planning application, including interest at the prescribed rate. Where both planning applications apply, development charges under sections 7 and 10 shall be calculated on the rates set out in Schedule "B", on the date of the latter planning application, including interest, including interest at the prescribed rate
- 13.6 Interest for the purposes of subsections 13.3, 13.4 & 1.5, shall be determined as prescribed in the *Development Charges Act*, as amended from time to time.

14. WRITTEN AGREEMENTS WITH THE TOWNSHIP

- 14.1 Pursuant to the provisions of the Act, Council may enter into written agreements in regard to all matters authorized by the Act and general law.
- 14.2 The applicable provisions of this By-law may be varied in individual instances by the written agreements, as permitted by the Act.
- 14.3 Agreements may give credit to the owner equal to the reasonable cost of providing services in addition to, or of a greater size or capacity, than would be required under this By-law. The credit shall not exceed the service standard used in the calculation of the development charge, and no credit shall be charged to any development charges reserve fund prescribed in this By-law or exceed the proportion of the development charge related to that service, payable by the owner to the Township.



- 14.4 Council from time to time, and at any time, may enter into agreements providing for all or any part of a development charge to be paid before or after it would otherwise be payable, in accordance with section 27 of the Act.
- 14.5 Front-ending agreements entered into under the provisions of s. 44 of the Act shall be deemed to be agreements under this section.
- 14.6 This By-law shall prevail over any previous agreements between a property owner and the Township with respect to the payment of impost fees, lot levies or Development Charges. However, where fees or charges have been paid for services included in this By-law pursuant to an agreement that was registered on the title of the lands prior to the passing of this By-law, the Township shall apply that fee as a credit against the applicable Development Charge

15. ADMINISTRATION

- 15.1 A certified copy of this By-law may be registered on title to any land to which the By-law applies.
- 15.2 This By-law shall be administered by the Treasurer of the Township.

16. RESERVE FUNDS

- 16.1 Monies received from payment of Development Charges shall be maintained in a separate reserve fund, and shall be used only to meet the growth-related net capital costs for which the Development Charge was levied under this By-law.
- 16.2 Where any Development Charge, or part thereof, remains unpaid after the due date, the unpaid amount shall be added to the tax roll and shall be collected as taxes. Where any unpaid Development Charges are collected as taxes, the monies so collected shall be credited to the development charge reserve fund.
- 16.3 The Treasurer of the Township shall, in each year, furnish to Council, a statement in respect of the reserve fund established hereunder for the prior year and then post the statement to the Township's website.



17. REFUNDS

- 17.1 Where this By-law or any Development Charge prescribed hereunder is amended or repealed either by order of the Ontario Land Tribunal or by Council, the Township shall forthwith pay the appropriate refund, calculated in accordance with the Act and Regulations passed under the Act.

18. SCHEDULES

- 18.1 The following schedules to this By-law form an integral part of this By-law;

Schedule "A" – Designated Municipal Service and Class of Services under this by-law;

Schedule "B" - Schedule of Development Charges.

19. GENERAL

- 19.1 This By-law comes into full force and effect upon the final passing thereof.
- 19.2 Unless repealed earlier, or unless the term of the By-law is extended by legislation, this By-law expires ten years from the day it comes into force.
- 19.3 Where in this By-law the context so requires, words in the singular include the plural and words in the plural include the singular, and words importing the masculine gender include feminine and neuter gender.
- 19.4 Any portion of this By-law found to be invalid shall be severed, and the balance of the By-law shall be deemed to be valid and enforceable and shall be construed without reference to the invalid portions.

20. REPEAL

- 20.1 By-law 30-19, as amended is hereby repealed upon the coming into full force and effect of this by-law.

21. DATE BY-LAW IN FORCE

- 21.1 The By-law shall come into full force and effect on July 3, 2024.



22. DATE BY-LAW EXPIRES

22.1 This By-law will expire on July 3, 234, unless it is repealed by Council at an earlier date.

FINALLY PASSED AND ENACTED THIS 3rd day of July 2024

Mayor

Clerk



**SCHEDULE “A” TO BY-LAW
DESIGNATED MUNICIPAL SERVICES AND CLASS OF SERVICES
UNDER THIS BY-LAW**

Township-Wide Services

1. Services Related to a Highway
2. Fire Protection Services
3. Parks and Recreation Services
4. Library Services

Township-Wide Services

1. Growth-Related Studies



SCHEDULE “B” TO BY-LAW SCHEDULE OF DEVELOPMENT CHARGES

Services/Class of Services	RESIDENTIAL				NON-RESIDENTIAL
	Single and Semi-Detached Dwelling	Other Multiples	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	(per sq.ft. of Gross Floor Area)
Township-Wide Services:					
Services Related to a Highway	3,052	3,020	2,265	1,126	1.37
Fire Protection Services	1,411	1,397	1,047	521	0.64
Parks and Recreation Services	10,880	10,767	8,074	4,013	1.17
Library Services	232	230	172	86	0.03
Township-Wide Class of Services:					
Growth-Related Studies	4,283	4,238	3,178	1,580	0.99
Total Township-Wide Services/Class of Services	\$19,858	\$19,652	\$14,736	\$7,326	\$4.20