



City of Cornwall Development Charges Background Study Amendment

November 12, 2024

Introduction



- The City of Cornwall (City) imposes development charges (D.C.s) through City-Wide by-law 2023-027 (passed on March 27, 2023) and in the Brookdale Avenue North Corridor through by-law 2020-112 (passed on September 14, 2020)
- Amendments to the *Development Charges Act* (D.C.A.) have occurred since the passing of those by-laws
 - Resulted in changes that must be followed by the City and others that will take effect when reflected in the City's D.C. by-laws
- The City is proposing to amend by-law 2023-027 to remove the statutory phase-in of the charges and include growth-related study costs within the calculation of the charge
- The D.C. Interest Policy will be revised to a D.C. Implementation Policy to reflect changes that are in effect but not reflected in the by-laws

Recent Changes to the D.C. Legislation



- *More Homes Built Faster Act, 2022 (Bill 23)*
 - Received Royal Assent on November 28, 2022
 - Removal of Studies from the definition of capital costs
 - Exemption for Affordable Units, Attainable Units, Inclusionary Zoning Units, and Non-Profit Housing developments
 - *Affordable Home and Good Jobs Act, 2023 (Bill 134)*
 - Bill 134 amends the definition for “affordable residential unit” exemptions under *More Homes Built Faster Act* to introduce an income-base test along with an average market price/rent test.
 - Affordable unit exemptions came into force on June 1, 2024
 - Mandatory Phase-in for D.C. over the first five years the by-law is in force, at 80% of the maximum charge in year one, progressing to 100% by year five, in 5% annual increases

Recent Changes to the D.C. Legislation



- *Cutting Red Tape to Build More Homes Act, 2024 (Bill 185)*
 - Received Royal Assent on June 6, 2024, and included the following notable changes to the D.C.A.:
 - Inclusion of growth studies as an eligible capital cost;
 - Removal of the mandatory phase-ins;
 - Shortened the D.C. “freeze” time frame from 2-years to 18-months
 - Modernizing public notice requirements for municipalities that do not have local newspapers
 - Provides a streamlined amendment process to include study costs or remove the statutory phase-in provisions
 - Does not require the preparation of a background study or a public meeting of Council
 - Notice of by-law passage must be given in accordance with the D.C.A.
 - Amendment must be made prior to December 6, 2024

Growth-Related Studies



Increased Service Needs Attributable to Anticipated Development	Gross Capital Cost Estimate (2023\$)	Other Deductions	Net Capital Cost	Less:	Potential D.C. Recoverable Cost		
				Benefit to Existing Development	Total	Residential Share	Non-Residential Share
						Service Specific Share	
Fire Protection Services (2023-2036)	125,000	-	125,000	31,300	93,700	33,732	59,968
Services Related to a Highway (2023-2036)	2,000,000	-	2,000,000	432,600	1,567,400	909,092	658,308
Parks and Recreation Services (2023-2036)	320,000	-	320,000	80,000	240,000	228,000	12,000
Library Services (2023-2036)	50,000	-	50,000	12,500	37,500	35,625	1,875
Ambulance Services (2023-2036)	200,000	121,400	78,600	50,000	28,600	16,588	12,012
Waste Diversion Services (2023-2036)	250,000	125,000	125,000	31,300	93,700	89,015	4,685
Wastewater Services (Urban 13 Year)	500,000	-	500,000	125,000	375,000	202,500	172,500
Water Services (Urban 13 Year)	250,000	-	250,000	62,500	187,500	101,250	86,250
Growth-Related Studies (2023-2036)	909,500	17,500	892,000	237,500	424,448	255,845	134,602
Total	4,604,500	263,900	4,340,600	1,062,700	3,047,848	1,871,647	1,142,200

Schedule of Charges



Service/Class of Service	RESIDENTIAL					Non-Residential
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	Special Care/Special Dwelling Units	(per sq.ft. of Gross Floor Area)
Municipal Wide Services						
Services Related to a Highway	8,249	5,558	4,203	7,835	3,762	2.61
Fire Protection Services	611	411	311	580	278	0.47
Parks and Recreation Services	2,651	1,786	1,351	2,518	1,209	0.06
Library Services	407	275	208	387	186	0.01
Ambulance Services	140	94	71	133	64	0.04
Waste Diversion Services	173	116	88	164	79	0.00
Transit Services	59	40	30	56	27	0.02
Growth-Related Studies	124	84	63	118	57	0.04
Total Municipal Wide Services	12,414	8,364	6,325	11,791	5,662	3.26
Urban Services						
Wastewater Services	384	259	196	365	175	0.14
Water Services	2,051	1,382	1,045	1,948	935	0.76
Total Urban Services	2,435	1,641	1,241	2,313	1,110	0.90
GRAND TOTAL RURAL AREA	12,414	8,364	6,325	11,791	5,662	3.26
GRAND TOTAL URBAN AREA	14,849	10,005	7,566	14,104	6,772	4.16
2024\$ Charge With Indexing						
GRAND TOTAL RURAL AREA	13,382	9,016	6,818	12,711	6,104	3.51
GRAND TOTAL URBAN AREA	16,007	10,785	8,156	15,204	7,300	4.48

Comparison (2024 Charges)



Residential (Single Detached) Comparison

Service/Class of Service	Current (Calculated)	Current (Year 2 Phase-In)	Amended Charge	% Increase vs. Current (Calculated)	% Increase vs. Current (Year 2 Phase-In)
Municipal Wide Services/Classes:					
Services Related to a Highway	8,412	7,150	8,893	6%	24%
Fire Protection Services	640	544	658	3%	21%
Parks and Recreation Services	2,737	2,326	2,858	4%	23%
Library Services	420	357	439	4%	23%
Ambulance Services	142	121	151	6%	25%
Waste Diversion Services	139	118	186	34%	57%
Transit Services	64	54	64	0%	18%
Growth-Related Studies	-	-	134		
Total Municipal Wide Services	12,554	10,671	13,382	7%	25%
Urban Services					
Wastewater Services	305	259	414	36%	60%
Water Services	2,158	1,834	2,211	2%	21%
Total Urban Services	2,463	2,094	2,625	7%	25%
GRAND TOTAL RURAL AREA	12,554	10,671	13,382	7%	25%
GRAND TOTAL URBAN AREA	15,018	²⁴ 12,765	16,007	7%	25%

Comparison (2024 Charges)



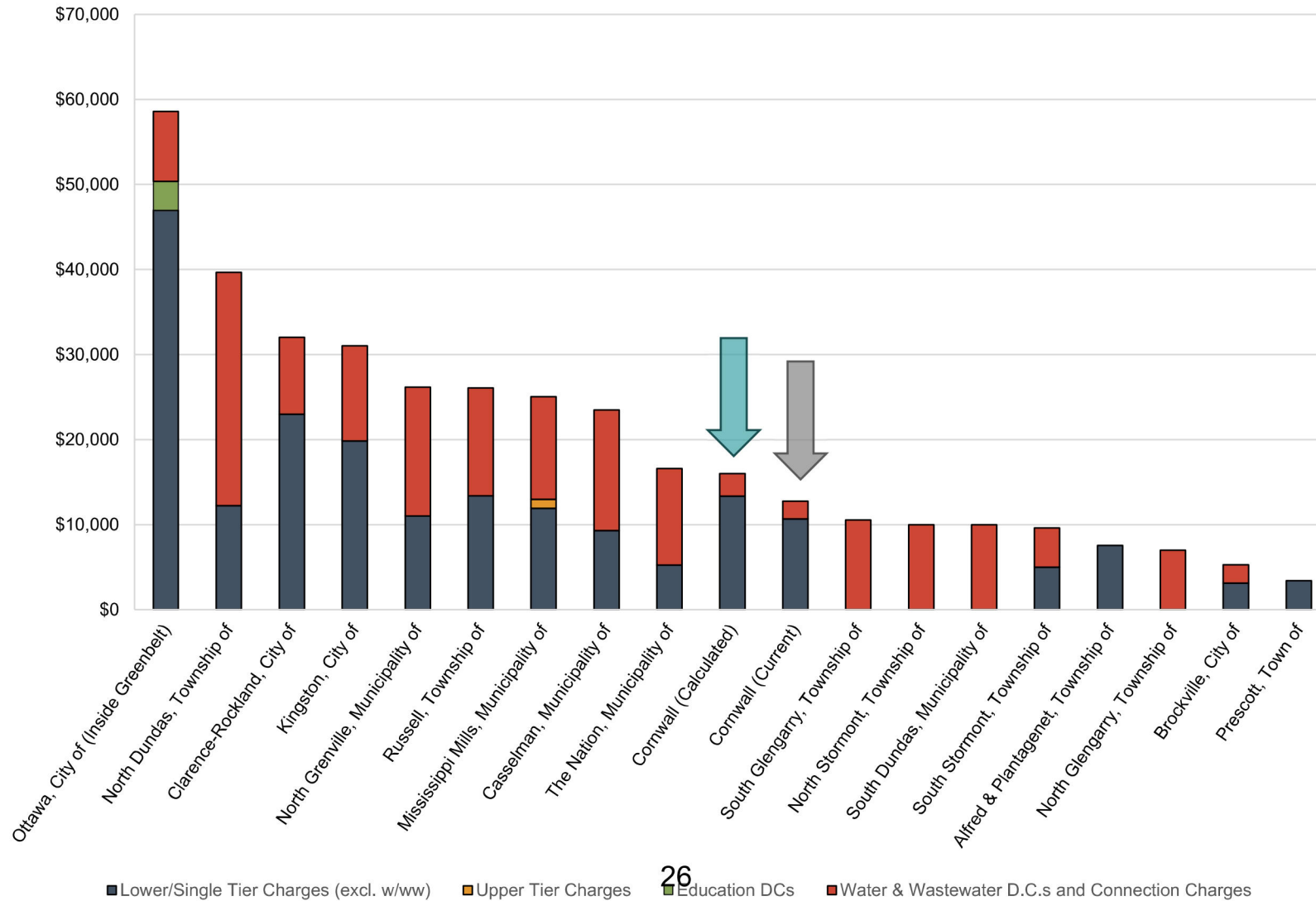
Non-Residential (per sq.ft.) Comparison

Service/Class of Service	Current (Calculated)	Current (Year 2 Phase-In)	Amended Charge	% Increase vs. Current (Calculated)	% Increase vs. Current (Year 2 Phase-In)
Municipal Wide Services/Classes:					
Services Related to a Highway	2.66	2.26	2.81	6%	24%
Fire Protection Services	0.50	0.42	0.51	3%	21%
Parks and Recreation Services	0.06	0.05	0.07	4%	23%
Library Services	0.01	0.01	0.01	5%	23%
Ambulance Services	0.04	0.04	0.05	6%	25%
Waste Diversion Services	0.00	0.00	0.00	34%	58%
Transit Services	0.02	0.02	0.02	0%	18%
Growth-Related Studies	-	-	0.04		
Total Municipal Wide Services	3.30	2.80	3.51	7%	25%
Urban Services	-				
Wastewater Services	0.11	0.09	0.15	40%	65%
Water Services	0.80	0.68	0.82	3%	21%
Total Urban Services	0.91	0.77	0.97	7%	26%
GRAND TOTAL RURAL AREA	3.30	2.80	3.51	7%	25%
GRAND TOTAL URBAN AREA	4.20	25 3.57	4.48	7%	25%

Municipal Comparison



Residential Development Charges (per Single Detached Dwelling)



D.C. By-Law Implementation Policy



- Interest Rate Policy will be updated to include other by-law implementation policy items that are not reflected in the current by-law, including:
 - Affordable unit exemptions
 - Inclusionary zoning unit exemptions
 - Non-profit housing exemptions
 - Interest rate changes
 - Interest is charged on mandatory D.C. deferrals (rental housing and institutional development) and D.C. “freeze” at site plan and zoning by-law amendment
 - D.C.A. now stipulates a maximum rate of the average prime rate plus 1% (Previous City rate was prime plus 3%)
 - Revisions to additional residential unit exemptions
 - Exemptions now apply to all lands (previously just urban lands)

Next Steps



- Prepare memorandum summarizing proposed by-law and policy changes
- Prepare draft amending by-law and D.C. Implementation Policy
- Council to consider by-law and Implementation Policy for passage/approval on November 26, 2024 (in advance of the December 6, 2024 deadline)
- Amending by-law to come into force January 1, 2024