



# Addendum to: 2019 Development Charges Background Study

City of Belleville

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For Public Circulation and Comment

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# 1. Summary of Revisions made to the February 22, 2019 Development Charges Background Study

## 1.1 Background

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Commensurate with the provisions of the *Development Charges Act (D.C.A.)*, 1997, the City of Belleville (City) has undertaken a Development Charges Background Study (D.C.B.S.) and has distributed the study and draft by-law to the public. The purpose of the February 22, 2019 D.C.B.S. was to provide the basis for an amendment to the City's By-law 2016-16 to expand the boundary of the Central Business District, as it pertains to the 50% reduction in development charges. The following provides a summary of the key dates in the Development Charges (D.C.) by-law process:

- February 22, 2019 – Release of the D.C.B.S.;
- March 11, 2019 – Public Meeting;
- April 30, 2019 – Anticipated passage of D.C. By-law

The City held a public meeting of Council on March 11, 2019 to review the City's 2019 D.C.B.S. and draft D.C. By-law, as required by the D.C.A. At this public meeting, and subsequently at the City's 2019 Housing Summit, revisions to the D.C.B.S. and draft By-law were requested to include a reduction in development charges for affordable rental apartment units. The requested revisions require an amendment to the D.C.B.S. and draft By-law to be prepared prior to Council considering the By-law for passage on April 30, 2019.

## 1.2 Discussion

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The purpose of the addendum to the February 22, 2019 D.C.B.S. is to provide for a further revision to the D.C. by-law policies. The proposed change to the draft D.C. By-law policies is for the inclusion of a 50% reduction in development charges for affordable apartment units.

As noted above, the revision to the D.C. by-law policies was identified in the recommendations arising from the City's 2019 Housing Summit. An excerpt from these recommendations, as they pertain to the subject of this amendment are identified below:



“4. THAT as a short-term measure before a housing community improvement plan is developed and approved by the city and province, the development charges by-law be updated for the purpose of reducing development charges by 50% (excluding areas inside the central business district which already receive this benefit) for all apartments units being built that enter into an agreement with the city to charge rents at market rate or less for a defined period of time. market rates will be established by the County of Hastings.”

“#5 THAT Resolution #4 be amended and the City provide for a reduction in Development Charges for Properties with a minimum of a six (6) unit apartment building to a maximum of 1000 units by 2025.”

Rental units will be subject to a negotiated agreement for qualification and administration of the exemption.

## 2. Changes to the Background Report

Based on the foregoing, the following revisions are made to the pages within the February 22, 2019 D.C.B.S. Accordingly, the revised pages are appended to this report:

- Table of Contents – Reissued to reflect page numbering changes;
- Pages 2 and 11 – Revised to reflect this addendum;
- Pages 13 and 14 – Reissued to reflect changes described in Section 1.2; and
- Revised draft amending D.C. By-Law.

## 3. Process for Adoption of the D.C. By-law

The revisions provided herein form the basis for the D.C. By-Law and will be incorporated into the D.C.B.S. to be provided to Council and the general public prior to Council’s consideration and adoption of the proposed D.C. By-Law on April 30, 2019.

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 Development Charges Background Study, as amended;
- Determine that no further public meetings are required on the matter; and
- Adopt the new Development Charges By-Law.



# Appendix A

## Ammended Pages



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The purpose for this D.C. Update Study is to provide the basis for an amendment to the City's current D.C. By-Law to expand the boundary of the Central Business District, as it pertains to the 50% reduction in development charges, and to provide for the inclusion of a 50% reduction in development charges for affordable apartment units.

Since this change represents an amendment to the City's development charge by-law but does not otherwise impact the development charge calculation, a Background Study has been prepared exclusively to address the matter summarized above.

## 2. Summary of 2015 D.C. Background Study and By-Law 2016-16

### 2.1 2015 D.C. Background Study

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The City's D.C. Background Study, dated November 20, 2015, was adopted by Council on January 25, 2016. The following summarizes the major components of the background study underlying By-Law 2016-16.

#### **2.1.1 Amount, Type and Location of Growth**

It is a requirement of Section 5 (1) of the D.C.A. that "the anticipated amount, type and location of development, for which development charges can be imposed, must be estimated". The growth forecast contained in Chapter 3 of the 2015 D.C. Background Study (with supplemental tables in Appendix A) provides for the anticipated development for which the City will be required to provide services, over a ten-year (2016-2026) and 20-year (2016-2036) time horizon.

Schedules 2 and 9c, contained within Appendix A of the 2015 D.C. Background Study, are provided below to summarize the anticipated amount type and location of residential and non-residential growth, respectively, over the various growth forecast periods.

The amendment provided herein does not alter the growth forecast as contained within the 2015 D.C. Background Study.



- Where a development involves the demolition of and replacement of a building or structure on the same site, or the conversion from one principal use to another, the developer shall be allowed a credit equivalent to:
  - the number of dwelling units demolished/converted multiplied by the applicable residential development charge in place at the time the development charge is payable; and/or
  - the gross floor area of the building demolished/converted multiplied by the current non-residential development charge in place at the time the development charge is payable.

The demolition credit is allowed only if the land was improved by occupied structures, and if the demolition permit related to the site was issued less than 60 months (5 years) prior to the issuance of a building permit. The credit can, in no case, exceed the amount of development charges that would otherwise be payable.

As noted in the introduction, the proposed amendment to D.C. By-Law 2016-016 does not affect the schedule of charges or the rules governing the administration of the charge. The proposed amendment only provides for an expanded boundary of the City's Central Business District, as it pertains to the 50% reduction in development charges for residential development located within that area, and for the inclusion of a 50% reduction in development charges for affordable apartment units. The following sections of this study provide discussions pertaining to the amendment.

## 3. Discussion

This section of the D.C. background study, for the purposes of the amendment, provides an explanation for the above noted proposed amendment.

### 3.1 Proposed Changes to the Boundary of the Central Business District

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Under the City's current D.C. By-Law 2016-16, residential development located within the City's Central Business District qualifies for a 50% reduction in development charges otherwise payable. If the development falls outside of the City's Central Business District, the charges payable are assessed at the rates presented in Table 2-4 above. The Central Business District is defined in Schedule "D" of By-law 2016-16 (and presented in Figure 1-1 herein).

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## **3.2 Proposed Reduction in Development Charges for Affordable Apartment Units**

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Following the City's 2019 Housing Summit, Council gave direction to update D.C. By-law 2016-16 for the purpose of reducing development charges by 50% (excluding areas inside the Central Business District which already receive this benefit) for all apartment units being built that enter into an agreement with the City to charge rents at market rate or less for a defined period. Market rates will be established based on market rates in the County of Hastings. This reduction in development charges would apply to properties with a minimum of six (6) apartment units, and would only be provided until 2025, to a maximum of 1,000 apartment units.

## **3.3 Changes to the Background Report**

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Based on the foregoing, this D.C. background study would serve to modify Schedule "D" of By-Law 2016-16, specifically the designation of the Central Business District. Additionally, this D.C. background study provides for the inclusion of a 50% reduction in development charges for affordable apartment units. Other than these modifications there would be no further changes to the information contained in the 2015 D.C. Background Study.

Under the D.C.A. there is a further requirement since the preparation of the 2015 Study that a D.C. Background Study include an asset management plan. Given the nature and scope of the proposed amendment contained herein, there is minimal impact on the City's financial sustainability over the lifecycle of the D.C. eligible capital costs as a result of expanding the boundary of the Central Business District. If the amendment is adopted, consistent to the treatment of all other exemptions, the D.C. revenues foregone as a result of the expanded boundary will have to be funded from non-D.C. sources.

## **4. Process for Adoption of the Amending Development Charges By-law**

The changes herein form the D.C. Background Study for the purposes of the amending By-Law 2016-16, and rationale for the proposed amending by-law being presented to Council. If Council is satisfied with the proposed amendment to By-Law 2016-16, and

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subject to any public submissions made at the public meeting regarding this matter, it is recommended that this D.C. Background Study and amending by-law be approved and adopted by Council. The process for adopting the proposed amendment is provided as follows:

- Post the D.C. Background Study on the City's website at least 60 days prior to the passage of the amending by-law;
- Provide notice of public meeting on the proposed amendment and amending by-law at least 20 clear-days prior to the public meeting;
- Make copies of the D.C. Background Study and amending by-law available to the public at least two weeks prior to the public meeting;
- Undertake the statutory public meeting and allow anyone in attendance to make representations on the matter; and
- Provided the 60 day period from posting the D.C. Background Study has been observed, Council may pass the amending D.C. by-law.



By-law Number \_\_\_\_\_

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### The Corporation of the City of Belleville

Being a by-law of the Corporation of the City of Belleville to amend By-law 2016-16 to make a revision to the boundary of the Central Business District.

**WHEREAS** Section 19 of the *Development Charges Act, 1997*, S.O. 1997, c27 (“the Act”) provides for amendments to be made to development charges by-laws;

**AND WHEREAS** the Council of the Corporation of the City of Belleville (hereinafter called “the Council” has determined that certain amendments should be made to the Development Charge By-law of the Corporation of the City of Belleville, being By-law 2016-16;

**AND WHEREAS**, in accordance with the Act, a development charges background study has been completed in respect of the proposed amendment;

**AND WHEREAS** the Council of the Corporation of the City of Belleville has given notice and held a public meeting in accordance with the Act;

**AND WHEREAS** the Council, at its meeting of April 30<sup>th</sup>, 2019, approved a report dated February 22, 2019 entitled “City of Belleville Development Charge Background Study Re: A Proposed Development Charge By-Law Amendment to Update the Boundary of the Central Business District”.

**NOW THEREFORE** the Council of the Corporation of the City of Belleville enacts as follows:

1. Schedule “D” is deleted and replaced with the revised Schedule “D” as provided herein.
2. Sub-section 2(2) is amended by inserting the following:

2(2)(b.2) notwithstanding subsection (a), the development charge for apartment units within a building containing a minimum of six (6) units, located outside the boundary of the Central Business District as set out in



Schedule “D”, will be equal to 50% of the total amount otherwise calculated in subsection (a), provided that these apartment units are subject to an agreement with the City to charge affordable rents for a defined period of time. For greater clarity, affordable rents under the agreement will be evaluated at market rates, or below, within the County of Hastings.

3. This by-law shall come into force on April 30, 2019.

Read a first and second time, this 30<sup>th</sup> day of April, 2019.

**READ** a third time and finally passed in Council, this 30<sup>th</sup> day of April, 2019

### **The Corporation of the City of Belleville**

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Mayor

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Clerk



SCHEDULE "D" TO BY-LAW NUMBER 2016-16  
DESIGNATION OF THE CENTRAL BUSINESS DISTRICT

